

I know that you, as members of this great organization, will welcome this opportunity for service to your country and will accept the challenge under the leadership of our great President. With your help we will not fail in the great task that lies ahead.

I have never posed as a political expert. Most of my experience has been in other fields. Yet I have always felt that what is right is good politics. And I know that this administration is firmly dedicated to what is economically, morally, and spiritually right. I wish I might take each one of you into a Friday morning Cabinet meeting that you too might feel the spirit of your administration in Washington.

"Let us raise a standard to which the wise and honest can repair; the rest is in the hands of God." These words of George Washington, spoken before the Constitutional Convention, are as sound today as they were in 1787.

Yes, there is a new look in Washington today and the Nation is better off because of it. Government costs have been cut. Taxes have been reduced. Inflation has been halted. Living costs have been stabilized.

We have proven that it is possible to have peace and prosperity at the same time. The transition from war to peace has been made with fewer dislocations than most people thought possible. The economy is prosperous and stable. The trend toward centralized controls has been reversed. Bureaucracy is on the decline. There is less looking to Washington for direction and more of a feeling of pride and responsibility in the States, counties, and local communities. Integrity, honesty, and efficiency in government have been restored.

But we have only made a start. The crusade for honesty, integrity, and efficiency in government must go on.

Some of the grave decisions which lie ahead may not be ours to make. The Communist aggressors who have enslaved half the world give little indication that they will be content with less than all of it. We may have to live with this constant threat for many years.

However difficult the road ahead may appear, however discouraged we may become in our diplomatic dealings with men who recognize neither truth nor compassion, we must for the sake of all humanity continue to seek a peaceful solution to the seemingly insoluble problems of our age. At the same time, we must remain strong—strong economically, strong socially, and, above all, strong spiritually—strong enough to meet this ever-present threat of new Communist aggression. To be strong, we must remain productive, for it is the almost unlimited productivity of our Nation which stands as the great barrier against the Red onslaught.

We must hold high America's bright-burning torch of freedom that one day it

will surely dispel the shadows of ignorance and despair now blanketing the minds of communism's slaves.

May God strengthen us in that resolution.

### The Poor Man's Tax Law

#### EXTENSION OF REMARKS

OF

### HON. EDGAR W. HIESTAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 7, 1955

Mr. HIESTAND. Mr. Speaker, the big tax-revision bill of the 83d Congress, completely rewriting the tax code, which after a desperate fight became Public Law 591, is, in effect, a poor man's bill.

Those who would make political capital for purely political purposes by attacks upon this magnificent measure have called it a rich man's bill. The exact opposite is true. It's a poor man's relief law.

Now we have an abortive attempt to kill several of the most important parts of the 1954 tax legislation, all of which favored the lower income groups; but the attack on these favoring measures is being made by those who assert they are fighting the battle for the little man. Actually, they would hurt the little man, the average wage-earner, and the millions of people on small fixed incomes, small pensions, and especially the white collar workers.

Opponents of the administration would extend the excise tax law 2½ years instead of just 1; therefore, they would be guilty of taxing the little man, the poor man, the fixed income people, and the pensioners, an extra year and a half on such necessities as light bulbs, telephone calls, transportation, handbags, cosmetics, gasoline and many other everyday needs, of some of which we had hoped to unburden them at the end of the year. Does this proposed measure sound like relieving the little man?

They would again soak the little man, the poor man, and the pensioner by again double-taxing him on his meager dividend income. The vast majority of millions of stockholders are little people whose income is the result of hard work

and lifetime savings, invested in a few shares of corporate stocks. To millions of these people, this is their only income. The law written last year gives 100 percent relief to those in the lowest income bracket, 67 percent in the next group, 52½ percent in the next group, and tapers down to only 11 percent to the wealthy, who are relatively few in number. Why soak these millions of little people and claim you are soaking only the rich? Isn't that the height of deception? Does that sound like relieving the little man?

Now most of you are not kidded about this corporation tax measure. Only people pay taxes. Corporations, actually being groups of people, cannot exist unless they pass along taxes in the prices of their production. If they do not, they go broke and throw thousands of people out of work. So if you extend, as the opponents of the administration are now proposing, the 52 percent corporation earnings tax to 2½ years instead of 1, you are again taxing millions and millions of the people that pay for the goods and services produced by the corporation. Does that sound like relieving the little man?

And then, this politically inspired \$20 and \$10 tax cut amounts to 40 cents a week or 20 cents a week per individual. How much relief is that going to give the average individual? And yet it will cost your Treasury over a thousand million dollars, which added cost must be raised by deficit financing, which means bank borrowing, which is tantamount to the printing of that much new money, which in turn causes inflation and penalizes most deeply the people in the lower income bracket. The rich man can afford \$100 per year increased cost of living from inflation, but the little man—those on fixed incomes and pensions—would be cruelly hurt every time we allow inflation to creep in. Does this sound like relieving the little man?

It is hard to conceive this poorly disguised attempt at cheap politics which so obviously hurts the lower-income people by repealing tax relief given them by last year's Congress. It was bad enough to call that great tax revision measure a rich man's bill, but to attempt to repeal some of the parts of it most important to poor people, seems the height of hypocrisy.

## SENATE

TUESDAY, FEBRUARY 8, 1955

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Almighty and everliving God, as in this forum of national deliberation we bow in this quiet moment dedicated to the unseen and eternal, confirm our faith, we beseech Thee, in those deep and holy foundations which the fathers laid, lest in foolish futility we attempt to build on sand instead of rock. In a day of violence and of swift and shifting change, when the angry passions of men are bursting anew into devouring flame, enable Thy servants in the discharge of grave responsibilities of public trust to

be sure and steady, their hope in Thee as an anchor that is steadfast and their faith unshaken, that out of the ruin and wreck of today Thou art making all things new. We ask it in the Name that is above every name. Amen.

### THE JOURNAL

On request of Mr. CLEMENTS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, February 4, 1955, was dispensed with.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

### COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

### FEDERAL ASSISTANCE TO THE STATES IN CONSTRUCTION OF SCHOOL FACILITIES—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 84)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Labor and Public Welfare.

(For President's message, see House proceedings for today.)

#### REPORT OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 85)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and with the accompanying report, referred to the Committee on Banking and Currency.

(For President's message, see House proceedings for today.)

#### LIMITATION OF DEBATE DURING MORNING HOUR

Mr. CLEMENTS. Mr. President, under the rule there will be a morning hour, and I ask unanimous consent that any statements made in connection with the presentation of petitions and memorials, the introduction of bills, and other routine business, be limited to 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

#### EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

##### AMENDMENT OF COMMODITY EXCHANGE ACT, RELATING TO REGISTRATION FEES

A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 8a (4) of the Commodity Exchange Act, as amended (with an accompanying paper); to the Committee on Agriculture and Forestry.

##### EXTENSION OF AUTHORITY FOR ENLISTMENT OF ALIENS IN THE REGULAR ARMY

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to extend the authority for the enlistment of aliens in the Regular Army (with an accompanying paper); to the Committee on Armed Services.

##### MAINTENANCE OF PRODUCTIVE CAPACITY IN GOVERNMENT AND PRIVATELY OWNED PLANTS

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to continue the effectiveness of the Act of July 17, 1953 (67 Stat. 177), as amended (with an accompanying paper); to the Committee on Armed Services.

##### CREDIT FOR CERTAIN PURPOSES OF PRIOR ACTIVE SERVICE OF CERTAIN COMMISSIONED PERSONNEL

A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to authorize the crediting, for certain purposes, of prior active Federal commissioned service performed by a person appointed as a commissioned officer under section 101 or 102 of the Army-Navy Nurses Act of 1947, as amended, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

##### DISABILITY BENEFITS FOR CERTAIN VOLUNTEER CIVILIAN MEMBERS OF CIVIL AIR PATROL

A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to amend the act entitled "An act to establish Civil Air Patrol as a civilian auxiliary of the United States Air Force and to authorize the Secretary of the Air Force to extend aid to Civil Air Patrol in the fulfillment of its objectives, and for other purposes" (with accompanying papers); to the Committee on Armed Services.

ment of its objectives, and for other purposes" (with accompanying papers); to the Committee on Armed Services.

##### REPORT ON PAYMENT OF CERTAIN CLAIMS OF COAST GUARD PERSONNEL

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, a report covering claims paid during the 6 months' period ended December 31, 1954, on account of the correction of military records of Coast Guard personnel (with an accompanying report); to the Committee on Armed Services.

##### PROPOSED TRANSFER BY NAVY DEPARTMENT OF SQ-TYPE RADAR SET TO AMERICAN UNIVERSITY OF BEIRUT

A letter from the Assistant Secretary of the Navy, reporting, pursuant to law, that the American University of Beirut had requested the Navy Department to transfer one SQ-type radar set, to be used for educational purposes; to the Committee on Armed Services.

##### STATEMENT ON PAINTING OF WAR HOUSING PRIOR TO DISPOSITION

A letter from the Executive Director, National Capital Housing Authority, Washington, D. C., transmitting a statement on painting of war housing prior to disposition, referred to in the report on the audit of that Authority, for the fiscal year ended June 30, 1953 (with accompanying papers); to the Committee on Government Operations.

##### LAWS ENACTED BY MUNICIPAL COUNCIL OF ST. THOMAS AND ST. JOHN, AND LEGISLATIVE ASSEMBLY OF VIRGIN ISLANDS

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, copies of laws enacted by the Municipal Council of St. Thomas and St. John, and the Legislative Assembly of the Virgin Islands (with accompanying papers); to the Committee on Interior and Insular Affairs.

##### PROPOSED AWARD OF CONCESSION PERMIT, OLYMPIC NATIONAL PARK, WASH.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed award of a concession permit in the Olympic National Park, Wash. (with accompanying papers); to the Committee on Interior and Insular Affairs.

##### REPORT ON OPERATIONS UNDER FEDERAL AIRPORT ACT

A letter from the Secretary of Commerce, transmitting, pursuant to law, the Ninth Annual Report of operations under the Federal Airport Act, for the fiscal year ended June 30, 1954 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

##### REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES, FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of December 31, 1954 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

##### REPORT OF PROCEEDINGS OF ANNUAL MEETING OF THE JUDICIAL CONFERENCE

A letter from the Chief Justice of the United States, transmitting, pursuant to law, a report of the proceedings of the annual meeting of the Judicial Conference of the United States, at Washington, D. C., September 22-24, 1954 (with an accompanying report); to the Committee on the Judiciary.

##### REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF LABOR

A letter from the Secretary of Labor, transmitting, pursuant to law, a report on tort claims paid by that Department for the calendar year ended December 31, 1954 (with an accompanying report); to the Committee on the Judiciary.

#### SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

#### GRANTING ADMISSION INTO THE UNITED STATES OF CERTAIN DEFECTOR ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting admission into the United States of certain defector aliens (with accompanying papers); to the Committee on the Judiciary.

#### GRANTING TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

#### AMENDMENT OF FEDERAL EMPLOYEES UNIFORM ALLOWANCE ACT

A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to amend section 402 of the Federal Employees Uniform Allowance Act, approved September 1, 1954 (with accompanying papers); to the Committee on Post Office and Civil Service.

#### AMENDMENT OF FLOOD CONTROL ACT OF 1941 PERTAINING TO EMERGENCY FLOOD CONTROL WORK

A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 5 of the Flood Control Act of August 18, 1941, as amended, pertaining to emergency flood-control work (with an accompanying paper); to the Committee on Public Works.

#### PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

Two joint resolutions of the Legislature of the State of California; to the Committee on the Judiciary:

##### "Assembly Joint Resolution 3

"Joint resolution relative to the observance of the centennials of the opening of the Pacific overland mail

"Whereas by act of Congress, dated March 3, 1857, the Postmaster General of the United States was, for the first time, authorized to contract for the conveyance overland, from the Mississippi River to San Francisco, Calif., of all letter mail; and

"Whereas until that time the conveyance of letter mail to the Pacific coast had been by the long, slow, arduous ocean route fraught with danger from storm and sea and totally dependent upon the vagaries of the wind; and

"Whereas the opening of service upon the overland route authorized by Congress was the culminating event of a series of events of prime importance not only to the development of the West and California, but also to the development of the United States; and

"Whereas centennial celebrations of these events should be fittingly observed throughout the length and breadth of the Nation for from the modest 'four-horse coaches, or spring wagons, suitable for the conveyance



of passengers, as well as the safety and security of the mails, required by the act, have developed our modern systems of communications which bind the East and West into one great Nation; and

"Whereas the American Association for State and Local History has undertaken the national sponsorship of centennials and has established regional committees to plan such centennials; and

"Whereas a regional committee has been set up in California which is known as the 'California Committee, Overland Mail Centennials, 1957-1958': Now, therefore, be it

*Resolved by the Assembly and the Senate of the State of California (jointly).* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to take appropriate action to insure the cooperation of the Federal Government in the celebration of the centennials of the opening of the Pacific overland mail; and be it further

*Resolved.* That the Legislature of the State of California respectfully urges that all State and local governmental units; public schools; civic, patriotic, and historical societies; and all agencies of communication do participate wholeheartedly in the observance of the celebration of the centennials of the opening of the Pacific overland mail by cooperating fully with the California Committee, Overland Mail Centennials, 1957-58, in commemorating the acts, the accomplishments, and the memories of those sturdy pioneers who engineered the beginnings of overland communication between the Atlantic and Pacific coasts; and be it further

*Resolved.* That the Legislature of the State of California does hereby commend the American Association for State and Local History for its action in undertaking on a national scale the sponsorship for the centennial observances of the opening of the Pacific overland mail; and be it further

*Resolved.* That the Legislature of the State of California does hereby respectfully request that the Governor of the State of California transmit copies of this resolution to the President and Vice President of the United States; to the Speaker of the House; to the Senators and Representatives of the State of California in Congress; to the governors of the several States and Territories; to the board of supervisors of each California county; to the mayor of each incorporated city; to the titular head of the American Association for State and Local History, American Historical Association, Pacific Coast Branch of the American Historical Association, California Historical Society, Historical Society of Southern California, Conference of California Historical Societies, California History Foundation, Native Sons of the Golden West, Native Daughters of the Golden West, National Committee for the Overland Mail Centennials, and California Committee for the Overland Mail Centennials."

#### "Assembly Joint Resolution 7

"Joint resolution relative to the Caryl Chessman case and writs of habeas corpus

"Whereas on or about January 11, 1955, the Chief Judge of the United States Circuit Court of Appeals for the Ninth Circuit stayed execution of a judgment imposing the death penalty on Caryl Chessman, convicted sex terrorist and kidnaper; and

"Whereas this infamous criminal has been convicted of 17 felonies as a result of jury verdicts and the criminal record upon which the conviction of this depraved person is based is so shocking that it is hereby briefly summarized:

"January 3, 1948: (1) First degree robbery.

"January 13, 1948: (2) Grand theft of an automobile which was used in perpetrating subsequent crimes and in which Chessman was fleeing when he was apprehended.

"January 18, 1948: (3) First degree robbery

"January 18, 1948: (4) First degree robbery.

"January 19, 1948: (5) First degree robbery. (6) First degree robbery. (7) Kidnaping of a female person for the purpose of robbery with infliction of bodily harm; punishment fixed at death. (8) Violation of California Penal Code Section 288a, relating to a crime of sex perversion, committed against a female person ((7) above).

"January 20, 1948: (9) First degree robbery.

"January 22, 1948: (10) Attempted robbery. (11) Kidnaping a female person for the purpose of robbery with infliction of bodily harm; punishment fixed at death. (12) Attempted rape of a female person ((11) above). (13) Violation of California Penal Code, section 288a, relating to a crime of sex perversion, committed against a female person ((11) above).

"January 23, 1948: (14) First degree robbery. (15) First degree robbery. (16) Kidnaping a male person for the purpose of robbery, with infliction of bodily harm; punishment fixed at life imprisonment without possibility of parole. (17) Kidnaping a male person for the purpose of robbery.

"Each of the above paragraphs represents a separate general criminal enterprise, in each of which one or more offenses were committed. The jury further found that Chessman was armed at the time of the commission of each of the crimes except that of grand theft, No. (2) above; that he was armed at the time of arrest; and that he had been twice convicted previously, once for robbery, and once for assault with a deadly weapon; and

"Whereas one of the female victims of this brutal and fiendish sex pervert suffered a mental breakdown which permanently deprived her of soundness of mind, requiring her confinement in an asylum where she remains to this day; and

"Whereas the Supreme Court of the State of California affirmed the decision of the trial court, upholding the judgment of conviction of the 17 felonies; and

"Whereas our Anglo-American legal history apprises us of our righteous sensitivity to the fact that, in the course of ordinary legal procedures, men may occasionally be convicted of a crime through no fault of their own. Nevertheless, cases of the Chessman type forcibly remind us of the inadequacy of the postconviction procedures which have been erected to guard against the contingencies of improper conviction when such procedures have the effect not of releasing the convict but of clogging the courts with the fraudulent and unfounded claims of the guilty; and

"Whereas the Supreme Court of the United States has come to realize the gravity of this situation by remarking in the case of *Wade v. Mayo* (334 U. S. 672 (1948), note 51, 681-682):

"Statistics compiled by the administrative office of the United States courts show that during the fiscal years of 1943, 1944, and 1945 there was an average of 451 habeas corpus petitions filed each year in Federal district courts by prisoners serving State court sentence; of these petitions, an average of but 6 per year resulted in a reversal of the conviction and a release of the prisoner. The releases thus constituted only 1.3 percent of the total petitions filed; and

"Whereas the Supreme Court of the United States as recently as the year 1952 has again recognized this situation in a note to its decision in *United States v. Hayman* (342 U. S. 205), at pages 212-213 that:

"In several districts, up to 40 percent of all applications for habeas corpus filed during the years 1943, 1944, and 1945 were so-called repeater petitions; and

"Whereas Chessman has compiled an astonishing record in his relentless and seemingly unending pursuit of postconviction remedies. Chessman has been turned down by the California Supreme Court on his appeal from the trial court and has been re-

fused 3 applications for a writ of habeas corpus in the same court; he has been rejected by the United States Supreme Court in 5 applications for a writ of certiorari, or review; he has been denied 5 times by the United States district court on applications for a writ of habeas corpus; he has been turned down previously by the United States Court of Appeals for the Ninth Circuit on an appeal from the district court; and

"Whereas Chessman has been refused executive clemency upon several occasions both by Gov. Goodwin Knight and by former Gov. Earl Warren, now Chief Justice of the United States Supreme Court; and

"Whereas the prostitution of our legal procedures by this depraved sex terrorist brings sharply into focus this aberration in the law of postconviction procedures; and

"Whereas the National Conference of Commissioners on Uniform State Laws has prepared and urges the adoption of a uniform postconviction procedure act designed to remedy the defects in State court procedures; and

"Whereas the Federal law with respect to the writ of habeas corpus should be made the subject of a congressional study for the purpose of devising more adequate safeguards for society as well as the wronged individual by amendment of the appropriate Federal laws now permitting a convicted person serving a term in a State prison to repeatedly clog the calendars of the Federal courts with petitions for writs of habeas corpus: Now, therefore, be it

*Resolved by the Assembly and Senate of the State of California, jointly.* That the Legislature of the State of California respectfully memorializes the Congress of the United States to undertake an investigation and study of the Federal laws relating to the repeated use of the writ of habeas corpus by convicted persons serving terms in State prisons with a view to providing a limited right in the Federal courts to entertain such writs consonant with the due-process-of-law requirements of our Federal Constitution; and be it further

*Resolved.* That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Post Office and Civil Service:

#### "Assembly Joint Resolution 4

"Joint resolution relative to the compensation of postal employees

"Whereas employees of the United States Post Office Department have received but one wage increase since 1949, which increase failed to compensate them for the great increase in the cost of living that has occurred since 1949; and

"Whereas most other public and private employees have received wage increases which more nearly enable them to meet the increased living costs; and

"Whereas any increase in the cost of living particularly affects postal employees because of their relatively low wages; and

"Whereas postal employees should receive an increase in wages not only because such an increase would be equitable but also because the efficiency of the postal system would be enhanced thereby: Now, therefore, be it

*Resolved by the Assembly and Senate of the State of California (jointly).* That the Congress of the United States is respectfully memorialized to enact legislation for an increase in the compensation of postal employees commensurate with existing costs of living; and be it further

*Resolved.* That the chief clerk of the assembly be directed to transmit copies of

this resolution to the President and Vice President of the United States, to the Postmaster General, to the Speaker of the House of Representatives, and to each Senator and Representative from the State of California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Labor and Public Welfare:

**"Assembly Joint Resolution 10**

**"Joint resolution relative to the extension of veterans' benefits**

"Whereas the very foundation of the governmental system of this Nation is the principle that all persons similarly situated are entitled to and shall be given equal treatment within the law; and

"Whereas this Nation has ever held as inviolate its obligations both formal and implied to those persons serving in its Armed Forces; and

"Whereas the citizen soldier who is drafted today is being deprived of equal benefits by way of veterans aid to education as have been received by those persons drafted but a short time before even though he is asked to make much the same, if not identical, sacrifices as were made by those veterans; and

"Whereas many persons today in the Armed Forces volunteered with the implied and, in many instances, stated promise that they would receive educational benefits commensurate with their length of service; and

"Whereas it would be dishonorable and unjust to fail to keep faith with those serving our Nation in the Armed Forces during this hour of need; and

"Whereas many draft boards have urged young high-school graduates and others to volunteer for induction as soon as possible so that the time spent in the service would not break into a school year and emphasizing that the few months of education thus sacrificed would be more than amply repaid by the veteran's educational benefits; and

"Whereas the failure to provide educational benefits for the present-day citizen soldier is not only a failure to fulfill agreement with its citizens serving in the armed services but also is a failure to keep faith with those citizens serving on our draft boards who have contributed immeasurably to the success of the selective-service system; and

"Whereas such action is a blot upon the sacred honor and integrity of this Nation which if allowed to remain will jeopardize the future of the selective service system at a time when the perils facing this Nation are as grave as any it has ever been called upon to face: Now, therefore, be it

**"Resolved by the Assembly and Senate of the State of California, jointly,** That the Legislature of the State of California respectfully memorializes the President of the United States and the Congress of the United States to restore the educational benefits for present and future service in the Armed Forces of the United States; and be it further

**"Resolved,** That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

**"Assembly Joint Resolution 11**

**"Joint resolution relative to the Sacramento River Ship Channel**

"Whereas the Sacramento River Ship Channel project was authorized by Congress in 1946 in Public Law 525, 79th Congress, 2d session, and construction started in 1949 with the completion date scheduled for July 1953; and

"Whereas the California State Legislature by Chapter 1152, 1947 Statutes, approved and adopted the project for navigation and flood control on the Sacramento River in cooperation with the Federal Government in accordance with Senate Document 142, 79th Congress, 2d session; declared the State interest therein; provided certain powers and duties of the Sacramento-Yolo Port District and the Department of Finance in connection therewith; provided for the acquisition of certain property rights therefor; and made an appropriation; and

"Whereas the State of California has a total investment of approximately \$1 million in the project at the present time, including as a phase of the West Sacramento Freeway the Harbor Boulevard overpass to the port terminal area; and

"Whereas the Sacramento-Yolo Port District voted \$3,750,000 in bonds for local participation, and has sold \$1,750,000, and is presently burdened with amortization of those bonds; and

"Whereas the port district has constructed a grain elevator, belt railroad, and highways, with the grain elevator leased to private grain merchants who are depending upon completion of the deep-water channel for successful operation of the grain elevator; and

"Whereas private local businessmen and farmers, depending upon early completion of the project, have invested \$2,500,000 in private warehouses, elevators, and other works adjacent to the port area; and

"Whereas the Federal Government required the Sacramento-Yolo Port District to give assurance that local interests would meet requirements in the act of authorization, and the port district has met each and every one of those requirements; and

"Whereas construction was stopped at the outbreak of the Korean war, after completion of 4 miles of channel north of Rio Vista at a cost of \$2,548,000 to the Federal Government; and

"Whereas the deep-water channel when completed will serve more than 20 counties in the northeastern part of California north and east of Sacramento: Now, therefore, be it

**"Resolved by the Assembly and Senate of the State of California (jointly),** That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States, and the Corps of Engineers of the United States Army, to take such steps as may be necessary to resume construction on this project immediately, and to make an appropriation sufficient to defray the cost of such work as can be accomplished by the Corps of Engineers during the 1955-56 fiscal year; and be it further

**"Resolved,** That copies of this resolution be transmitted to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the House and Senate Appropriation Committees for Civil Functions, to each Senator and Representative from California in the Congress of the United States, and to the Secretary of the Army."

A concurrent resolution of the Legislature of the State of California; to the Committee on the Judiciary:

**"Assembly Joint Resolution 12**

**"Joint resolution relative to the Forest Service**

"Whereas the Forest Service in the Department of Agriculture was created by Congress on March 3, 1905; and

"Whereas, the Forest Service is charged with the responsibility of promoting the conservation for best use of the Nation's forest lands, which comprise approximately one-third of the total land area of the United States; and

"Whereas the service administers approximately 150 national forests, extending over 180 million acres in 40 States and Alaska and Puerto Rico, and improves them, pro-

pects them from fire, insects and disease, and manages their resources for orderly and continuous service and for the maintenance of stable economic conditions in the national forest communities; and

"Whereas the service applies technical methods of forestry to the growing and harvesting of timber; scientifically regulates the grazing of livestock to obtain range conservation along with the use of the annual growth of forage; manages watersheds for the regulation of streamflow, reduction of flood danger of soil erosion, and the protection of water resources for power, irrigation, navigation, and municipal and domestic supply; provides for recreation; and proceeds scientifically in the development and maintenance of wildlife resources; and

"Whereas the States and private owners of forest lands receive the cooperation of the Forest Service in the application of sound management practices, in the maintenance of organized protection of forest lands against fire, and in the distribution of plans to farmers for windbreaks, shelter belts and farm woodlands; and the service cooperates with the States in stimulating the development, proper administration and management of State forests; and

"Whereas in carrying on its activities the Forest Service has fully justified the fondest hopes and expectations of its founders: Now, therefore, be it

**"Resolved by the Assembly and Senate of the State of California (jointly),** That the State of California hereby congratulates the Forest Service on this, the fiftieth year of its existence, and expresses its recognition and appreciation of the splendid work that has been and is being done by it in the attainment of its objectives; and be it further

**"Resolved,** That the chief clerk of the assembly transmit a copy of this resolution to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, each Senator and Representative in Congress from the State of California, the Department of Agriculture, and the Forest Service."

A joint resolution of the Legislature of the State of South Carolina; to the Committee on Agriculture and Forestry:

**"Concurrent resolution memorializing Congress** to enact legislation limiting the appellate jurisdiction of the United States Supreme Court and the jurisdiction of other Federal courts

"Whereas Federal courts and more particularly the United States Supreme Court have through numerous opinions and decisions invaded the field of the legislative and executive branches of government; and

"Whereas through numerous opinions and decisions Federal courts and more particularly the United States Supreme Court have invaded the field of government which should be left to the control of the several States of the Union; and

"Whereas Congress is authorized under the Constitution of the United States to control and limit the appellate jurisdiction of the United States Supreme Court and the jurisdiction of other Federal courts: Now, therefore, be it

**"Resolved by the house of representatives (the senate concurring),** That Congress be memorialized to enact legislation limiting the appellate jurisdiction of the United States Supreme Court and the jurisdiction of other Federal courts so that the fields of government of the executive and legislative branches and that of the several States shall not be invaded, but shall remain separate and distinct; be it further

**"Resolved,** That copies of this resolution be forwarded to the President of the United States, to each United States Senator from South Carolina, each Member of the House of Representatives of Congress from South Carolina, the Senate of the United States,



and the House of Representatives of the United States."

A resolution adopted by the City Council of the City of Wyandotte, Mich., favoring the enactment of legislation to provide increased compensation for postal employees; to the Committee on Post Office and Civil Service.

A letter, in the nature of a petition, from Paul Kramer, of New York, N. Y., favoring the enactment of legislation to provide for the restyling of the facade of the Department of Justice Building in Washington, D. C.; to the Committee on Public Works.

A resolution adopted by the board of supervisors, San Bernardino County, Calif., favoring the enactment of legislation to provide sufficient funds for processing Federal Housing Administration loans; to the Committee on Appropriations.

Resolution adopted by the 42d international convention of the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada, at Cincinnati, Ohio, relating to a revision of the Taft-Hartley law, and so forth; to the Committee on Labor and Public Welfare.

#### NORTHWEST AIRLINES—RESOLUTION OF MINNESOTA HOUSE OF REPRESENTATIVES

Mr. HUMPHREY. Mr. President, Minnesota and other States of the upper Midwest and Northwest have been seriously upset in the last few days by the extent to which the White House appeared willing to completely override the findings of the Civil Aeronautics Board and deprive one of our major airlines an international route it has pioneered, in order to provide a monopoly for a heavily subsidized competing line.

I refer to the originally announced decision of the President regarding operations of Northwest Airlines in the transpacific renewal case.

We are grateful, of course, that after a storm of protest from Minnesota and other States the President last night partially modified his order to permit continuation for 3 years at least the Seattle-Portland-Hawaii service by Northwest.

Yet even that is a far cry from the permanent certification the CAB recommended by a 5-to-0 decision, a modification obviously granted reluctantly under political pressure and in no way changing what appears to be the basic attitude of this administration toward international air routes.

It is regrettable that the semijudicial functions of the CAB are being bypassed by the White House. It is unfortunate that political favoritism and a leaning toward monopoly control seems to be injecting itself into issues that should be settled on an economic basis in the full spirit of our free-enterprise system, and in accordance with the intent of Congress in creating the Civil Aeronautics Board. This may well be a trend some of our appropriate committees of the Congress may find worth looking into in more detail.

Another important issue affecting the economy of the Midwest is still unresolved. It is the question of permanent certification of Northwest for the inside route from Minneapolis-St. Paul to Anchorage, Alaska, as a link in international travel from New York to Tokyo.

If Northwest is deprived of this route, more than an airline is hurt. It may well mean loss of a vital route to United States carriers, and mean turning that route over to Canadian carriers. If so we will be sacrificing a link in the shortest route from New York to the Orient. Many of us shall be watching closely the pending final decision on this inside route.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a resolution adopted by the house of representatives of the Minnesota Legislature on February 4, requesting the President of the United States to reconsider his earlier action relative to Northwest Airlines.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred; and, under the rule, printed in the RECORD.

The resolution was referred to the Committee on Interstate and Foreign Commerce, and, under the rule, ordered to be printed in the RECORD, as follows:

House resolution requesting the President of the United States to reconsider action relative to Northwest Airlines

Whereas Northwest Airlines is an important segment of the economy of the State of Minnesota and the upper Midwest; and

Whereas Northwest Airlines has pioneered air service between the Pacific Northwest and Hawaii by which it has developed a substantial community of interest between such islands and the State of Minnesota; and

Whereas it appears that Northwest Airlines is to be deprived of its charter to continue such service; and

Whereas the loss of such charter will be a serious impairment to the economy of Minnesota and the upper Northwest; and

Whereas the Civil Aeronautics Board recently decided by unanimous decision to renew Northwest Airlines' charter to continue its airline service between the Pacific Northwest and Hawaii; and

Whereas the President of the United States has directed the Civil Aeronautics Board to reverse its action and to deny the renewal of Northwest Airlines' charter: Now, therefore, be it

*Resolved by the House of Representatives of the State of Minnesota, That the President of the United States be most respectfully requested to reconsider his action wherein he requested the Civil Aeronautics Board to reverse its decision to renew Northwest Airlines' charter to operate air flights between Seattle and Honolulu for the reasons that failure to renew the charter of Northwest Airlines will work a great hardship upon the said airlines; will injure the economy of the State of Minnesota, and will seriously impair essential transportation services in the upper Midwest; be it further*

*Resolved, That an enrolled copy of this resolution be sent to the President of the United States, Dwight D. Eisenhower, and to each member of the Minnesota congressional delegation, Washington, D. C.*

ALFRED I. JOHNSON,

*Speaker of the House of Representatives.*  
Adopted by the House of Representatives, the 4th day of February 1955.

G. H. LEAHY,

*Chief Clerk, House of Representatives.*

#### CONTRIBUTION TO THE WORLD HEALTH ORGANIZATION—RESOLUTION

Mr. WILEY. Mr. President, the people of America noted with deep interest the comments by President Eisen-

hower in his health message regarding our increased contribution to the World Health Organization, a great institution which has performed tremendous service throughout the world.

I present a resolution which I have received from Dr. Harold Hillenbrand, secretary of the American Dental Association along this same line.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

AMERICAN DENTAL ASSOCIATION,  
Chicago, Ill., February 4, 1955.

HON. ALEXANDER WILEY,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR WILEY: The American Dental Association, which has a total membership of 82,000, adopted, at the recent session of its house of delegates, the following resolution which it desires to call to your attention:

*"Resolved, That the interest of the American Dental Association in removing the present ceiling on this Nation's assessment for the World Health Organization be expressed to the Members of the Congress of the United States, the Vice President of the United States, the Speaker of the House of Representatives, the Secretary of State, the Secretary of Health, Education, and Welfare, and the Surgeon General of the United States Public Health Service."*

The association is deeply interested in the provision of additional support for the program of the World Health Organization and earnestly solicits your cooperation in achieving that objective.

Very truly yours,  
HAROLD HILLENBRAND, D. D. S.,  
Secretary.

#### RESOLUTIONS OF GREAT LAKES HARBORS ASSOCIATION

Mr. WILEY. Mr. President, I present two resolutions which were adopted by the Great Lakes Harbors Association on September 14, 1954.

One of these resolutions rightly opposes the notorious Chicago water steal—a subject on which I see our friends from the Chicago area commented in the CONGRESSIONAL RECORD the other day with their customary vigor but with regrettable inaccuracy.

The other resolution rightly supports the deepening of the Great Lakes connecting channels and the necessary improvement of port facilities.

I heartily endorse the comments in both of these association resolutions.

I ask unanimous consent that the resolutions may be printed in the RECORD, and be thereafter appropriately referred.

There being no objection, the resolutions were referred to the Committee on Public Works and ordered to be printed in the RECORD, as follows:

RESOLUTIONS ADOPTED BY THE GREAT LAKES HARBORS ASSOCIATION, SEPTEMBER 14, 1954

Whereas President Eisenhower has vetoed H. R. 3300 which would have permitted additional diversion of waters from the Great Lakes-St. Lawrence system through the Chicago Drainage Canal; and

Whereas the Great Lakes Harbors Association feels that it is in the best interests of the Great Lakes area to preserve the integrity of the levels of the Great Lakes: Now, therefore, be it

*Resolved*, That the Great Lakes Harbors Association expresses its unalterable opposition to any proposed legislation which purports to circumvent or defeat the United States supreme decree of April 21, 1930, which authorizes diversion at Chicago of 1,500 cubic feet per second, plus domestic pumpage; further

*Resolved*, That the proper forum for applications for increased diversion is the United States Supreme Court which has expressly retained jurisdiction over the matter of diversion of water from the Great Lakes-St. Lawrence water system; further

*Resolved*, That this resolution be spread upon the official records of the association and that copies thereof be sent to all Members of Congress and the United States Senate.

Whereas Congress at each session considers many requests for appropriation of funds for the improvement and development of waterways in all sections of the United States; and

Whereas the Great Lakes constitute the greatest inland waterway in the world, with low freight rates: Now, therefore, be it

*Resolved*, That Congress be requested:

1. To continue its appropriations of funds in an amount sufficient to complete the study already authorized and now being undertaken by the Corps of Engineers, United States Army, of the Great Lakes levels, their effect, their control, damages caused by high levels, and the like.

2. To appropriate at the next session of Congress funds sufficient to improve and develop the connecting channels between the upper and the lower lakes in order to provide minimum depths of 27 feet so as to permit the large foreign and domestic ocean-going freighters to navigate Lakes Michigan, Huron, and Superior when the St. Lawrence Seaway is completed.

3. To appropriate funds sufficient to deepen the channels in the harbors on the Great Lakes which will require deepening in order to be ready for the completion of the St. Lawrence Seaway.

4. To appropriate funds sufficient to permit the port cities on the Great Lakes to maintain their harbors in a proper condition from year to year; further

*Resolved*, That this resolution be spread upon the official records of the association and that copies be mailed to each Senator and Congressman from the States bordering upon the Great Lakes.

#### CONTINUATION OF FEDERAL SOIL CONSERVATION PROGRAM—LETTER AND RESOLUTION

Mr. HUMPHREY. Mr. President, I present, for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter I have received from the Montana Association of Soil Conservation Districts, Bozeman, Mont., enclosing a resolution adopted by that association favoring the continuance of the Federal soil-conservation program.

I urge my colleagues to pay very careful attention to the resolution, because it embodies the thoughts of the National Association of Soil Conservation Districts.

There being no objection, the letter and resolution were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

MONTANA ASSOCIATION OF  
SOIL CONSERVATION DISTRICTS,  
MONTANA STATE COLLEGE,  
Bozeman, Mont.

To All Members of the United States Senate.

HONORABLE SENATORS: The Montana Association of Soil Conservation Districts in their

13th annual business meeting in Butte, Mont., November 30 and December 1, 1954, adopted the enclosed resolutions and directive that it be sent to you.

Respectfully submitted.

REX F. CAMPBELL,  
Secretary.

Whereas the Federal Soil Conservation Service, working with soil conservation districts has accomplished outstanding success in putting conservation on the land; and

Whereas the Federal Commission on Conservation and Agriculture has recommended that this program be relegated to the various States with a "grant-in-aid" status; and

Whereas the present corps of Soil Conservation Service technicians would be gradually shifted to the status of State employees: Be it therefore

*Resolved*, That the Montana Association of Soil Conservation Districts object to this recommendation and support and urge all efforts to the end of retaining the present program as a Federal service for the following reasons:

First, the idea is financially impracticable because a number of the States, including Montana, have, in the past, been unable to make sufficient appropriations to meet their obligations on other similar grant-in-aid programs such as Federal highways and other worthwhile projects.

Second, a good program must be based and dependent on well-trained and educated personnel who can be assured of the security and permanence that only the civil-service status could provide. Many would not accept employment by the States.

Third, that a high standard of achievement could not possibly be obtained in all the 48 States under separate programs.

Fourth, the benefits of a nationally administered program of soil conservation accrues to all people; be it furthermore

*Resolved*, That copies of this resolution be sent to every Member of both Houses of Congress, to the Governor of Montana, to our State legislators, the Secretary of Agriculture, and the President of the United States.

Whereas Public Law 566, commonly known as the Watersheds Protection and Flood Prevention Act, is designed primarily to furnish financial assistance for prevention and control of floods; and

Whereas only a very limited number of projects can be justified in Montana on the basis of flood prevention alone: Now, therefore, be it

*Resolved*, That the Montana Association of Soil Conservation Districts respectfully petition the Congress of the United States to so amend the act as to permit both Federal financial and technical assistance in making beneficial uses of floodwater prior to giving consideration to structures for flood prevention. In the West where water for irrigation is of primary importance because of the semiarid climate, and flood conditions are usually caused by a combination of mountain snow-melt and rainfall during the spring season, followed generally by drought conditions, the storage of sufficient water to carry crops through the summer is the major problem and should receive primary consideration. Structures to handle floodwaters in excess of irrigation requirements are necessary but should be made the secondary objective of most projects in this and other States of the semiarid West; be it further

*Resolved*, That copies of this resolution be sent to the Montana and other Western States' congressional delegations, the chairmen of the Senate and House Agricultural Committees, the Director of the Bureau of the Budget, the Secretary of Agriculture, the Chief of the Soil Conservation Service, the president of the National Association of Soil Conservation Districts, the Governors of the State of Montana and other Western States; and the chairman of the State Soil Conservation Committee.

#### REPEAL OF TRANSPORTATION TAX—LETTER AND RESOLUTION

Mr. HUMPHREY. Mr. President, I have received from the Northwest Shippers Advisory Board, of St. Paul, Minn., a letter transmitting a resolution adopted by that board favoring the repeal of the transportation tax. I ask unanimous consent that the letter and resolution may be printed in the RECORD and appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

NORTHWEST SHIPPERS ADVISORY BOARD,  
Minneapolis, Minn., February 1, 1955.  
Hon. HUBERT H. HUMPHREY,  
United States Senate,  
Washington, D. C.

MY DEAR SENATOR: Your attention is directed to the attached resolution adopted by the Northwest Shippers Advisory Board at its 32d annual and 110th regular meeting held in St. Paul, Minn., January 26, 1955, in connection with the repeal of the transportation tax on passenger, sleeping-car accommodations, and freight.

In conformity with instructions given me by this board, I am passing this resolution to you for your consideration and action toward fulfilling the views expressed therein.

Very respectfully yours,

W. C. ANDERSON,  
Secretary.

RESOLUTION ADOPTED BY THE NORTHWEST SHIPPERS ADVISORY BOARD AT ITS 32d ANNUAL MEETING, ST. PAUL, MINN., JANUARY 26, 1955

#### REPEAL OF TRANSPORTATION TAX

Whereas the transportation tax on passenger and sleeping-car accommodations was a war measure to discourage travel; and

Whereas the transportation tax on freight was a war measure to increase revenue for the conduct of World War II; and

Whereas this board has repeatedly pointed out that the tax on passenger and sleeping-car accommodations has passed the need to discourage travel and the tax on freight is a burden on transportation: Therefore be it

*Resolved*, That this board reiterate its previous action on these two matters and respectfully request its secretary to transmit its opposition to these taxes to all Members of Congress from the States comprising this board area.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LEHMAN, from the Committee on Labor and Public Welfare:

H. R. 587. A bill to provide that persons serving in the Armed Forces on January 31, 1955, may continue to accrue educational benefits under the Veterans' Readjustment Assistance Act of 1952, and for other purposes; without amendment (Rept. No. 26).

By Mr. GEORGE, from the Committee on Foreign Relations:

S. J. Res. 14. Joint resolution extending an invitation to the International Olympic Committee to hold the 1960 Olympic games in Detroit, Mich.; without amendment (Rept. No. 27).

#### BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unani-



mous consent, the second time, and referred as follows:

By Mr. LEHMAN (for himself, Mr. WILEY, Mr. IVES, and Mr. HENNINGS):  
S. 967. A bill to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. SMITH of New Jersey (for himself, Mr. FURTELL, Mr. GOLDWATER, Mr. BENDER, Mr. ALLOTT, Mr. YOUNG, Mr. FLANDERS, Mr. THYE, Mr. CARLSON, Mr. CASE of South Dakota, Mr. DUFF, Mr. BUSH, Mr. BENNETT, Mr. PAYNE, Mr. KUCHEL, Mr. BUTLER, and Mr. BEALL):

S. 968. A bill to authorize Federal assistance to States and communities to enable them to increase public elementary and secondary school construction; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. SMITH of New Jersey when he introduced the above bill, which appear under a separate heading.)

By Mr. FLANDERS:  
S. 969. A bill to amend the Universal Military Training and Service Act, as amended, relative to the process of selection, and for other purposes; to the Committee on Armed Services.

By Mr. CURTIS:  
S. 970. A bill for the relief of Bural Lyden and others; to the Committee on the Judiciary.

By Mr. FREAR:  
S. 971. A bill to stabilize farm incomes by providing a system of insurance to indemnify farmers against certain losses occurring in the operation of their farms; to the Committee on Agriculture and Forestry.

By Mr. FREAR (for himself and Mr. CAPEHART):

S. 972. A bill to amend the Home Owners' Loan Act of 1933, as amended; to the Committee on Banking and Currency.

By Mr. JOHNSTON of South Carolina:  
S. 973. A bill to provide a residence for pages of the Senate and of the House of Representatives, under the supervision of a Capitol Pages' Residence Board; to the Committee on Rules and Administration.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. SCHOEPPFEL:  
S. 974. A bill for the relief of Casimero Rivera Gutierrez, Teresa Gutierrez, Susana Rivera Gutierrez, Martha Aguilera Gutierrez, and Armando Casimero Gutierrez; to the Committee on the Judiciary.

S. 975. A bill to provide for the issuance of a special series of postage stamps in commemoration of the invaluable service rendered to the United States by Amelia Earhart Putnam; to the Committee on Post Office and Civil Service.

By Mr. KILGORE:  
S. 976. A bill to provide for the release of the right, title, and interest of the United States in a certain tract or parcel of land conditionally granted by it to the city of Montgomery, W. Va.; to the Committee on Armed Services.

S. 977. A bill to amend title 28, United States Code, with respect to duties of judges of the United States Court of Claims; to the Committee on the Judiciary.

By Mr. THURMOND:  
S. 978. A bill to amend the Agricultural Act of 1949, as amended, so as to require that prices of basic agricultural commodities be supported at 90 percent of parity; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. THURMOND when he introduced the above bill, which appear under a separate heading.)

By Mr. COTTON:

S. 979. A bill to amend title II of the Social Security Act to provide that old-age and other monthly insurance benefits shall be payable at age 60 in lieu of at age 65, and for other purposes; to the Committee on Finance.

S. 980. A bill to provide a system of scholarships for persons of unusual ability in certain sciences; to the Committee on Labor and Public Welfare.

S. 981. A bill to assist the enforcement of State laws licensing insurance companies, by prohibiting the use of the mails to evade such laws; to the Committee on Post Office and Civil Service.

By Mr. NEELY:  
S. 982. A bill to amend the Water Pollution Control Act; and

S. 983. A bill to provide grants to municipalities in those States which are parties to the Ohio River Valley sanitation compact to aid in the construction of sewage treatment works to prevent pollution of waters in the Ohio River Basin; to the Committee on Public Works.

S. 984 (by request). A bill to amend the act entitled "An act to authorize the District of Columbia government to establish an Office of Civil Defense, and for other purposes," approved August 11, 1950; to the Committee on the District of Columbia.

By Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. MALONE, Mr. MANSFIELD, Mr. MORSE, Mr. MURRAY, Mr. NEUBERGER, and Mr. WELKER):

S. 985. A bill to establish an Alaska International Rail and Highway Commission; to the Committee on Foreign Relations.

By Mr. BUTLER:  
S. 986. A bill to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia; to the Committee on the District of Columbia.

S. 987. A bill to authorize the Secretary of Commerce, acting through the Coast and Geodetic Survey, to assist the States of Maryland and Delaware to reestablish their common boundary; to the Committee on the Judiciary.

S. 988. A bill to provide certain decorations for outstanding and heroic conduct or service by persons serving in the American merchant marine; to the Committee on Interstate and Foreign Commerce.

By Mr. STENNIS:  
S. 989. A bill authorizing the Secretary of the Interior to issue patents to certain lands in Hancock County, Miss., conveyed as swamp and overflowed lands by the State of Mississippi to private individuals in 1926; to the Committee on Interior and Insular Affairs.

By Mr. GREEN:  
S. 990. A bill to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes; to the Committee on Rules and Administration.

By Mr. IVES:  
S. 991. A bill for the relief of Rabbi Aron Katz and his family;

S. 992. A bill for the relief of Antonio Carreri; and

S. 993. A bill for the relief of Eugene Alexander Figueiredo; to the Committee on the Judiciary.

By Mr. THYE (for himself and Mr. IVES):

S. 994. A bill to suspend for 1 year certain duties upon the importation of aluminum and aluminum alloys; to the Committee on Finance.

By Mr. KILGORE (for himself and Mr. DIRKSEN):

S. 995. A bill to amend the Trading With the Enemy Act; to the Committee on the Judiciary.

By Mr. LANGER:  
S. 996. A bill for the relief of Hans Kuzura; to the Committee on the Judiciary.

By Mr. WILEY:

S. 997. A bill to provide punishment for certain confidence game swindles; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. MONRONEY (for himself and Mr. KERR):

S. 998. A bill to authorize the conveyance of a certain tract of land in the State of Oklahoma to the city of Woodward, Okla.; to the Committee on Agriculture and Forestry.

By Mr. BENDER:  
S. 999. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Finance.

S. 1000. A bill for the relief of Andrius Kuprevicius; and

S. 1001. A bill for the relief of Haralambos Pavlides (Harry Pavlos); to the Committee on the Judiciary.

S. 1002. A bill to increase the amount of guaranty by the Veterans' Administration on certain home loans made pursuant to the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Labor and Public Welfare.

By Mr. MCCLELLAN:  
S. 1003. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. MCCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. MCCLELLAN (for himself, Mr. BENDER, Mr. CARLSON, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. CLEMENTS, Mr. DANIEL, Mr. DOUGLAS, Mr. ERVIN, Mr. GEORGE, Mr. HUMPHREY, Mr. JACKSON, Mr. KENNEDY, Mr. MANSFIELD, Mr. MUNDT, Mr. MCCARTHY, Mr. NEELY, Mr. PASTORE, Mr. STENNIS, Mr. SYMINGTON, Mr. THURMOND, and Mr. WILEY):

S. 1004. A bill to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public health purposes; to the Committee on Government Operations.

(See the remarks of Mr. MCCLELLAN when he introduced the above bill, which appear under a separate heading.)

By Mr. MCCLELLAN (by request):  
S. 1005. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes;

S. 1006. A bill to authorize reciprocal fire protection agreements between departments and agencies of the United States and public or private organizations engaged in fire-fighting activities, and for other purposes; and

S. 1007. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes; to the Committee on Government Operations.

By Mr. O'MAHONEY:  
S. 1008. A bill for the relief of Isabelle S. Gorrell, Donald E. Gorrell, Mary Owen Gorrell, and Kathryn G. Wright; to the Committee on the Judiciary.

By Mr. O'MAHONEY (for himself and Mr. BARRETT):  
S. 1009. A bill for the relief of Kathleen Schrater; to the Committee on the Judiciary.

By Mr. KILGORE:  
S. 1010. A bill to create the office of Senator at Large in the Senate of the United States for ex-Presidents of the United States; to the Committee on the Judiciary.

By Mr. BUTLER (for himself, Mr. BEALL, Mr. BENDER, Mr. CARLSON, Mr. CASE of South Dakota, Mr. CHAVEZ, Mr. DIRKSEN, Mr. DUFF, Mr. FLANDERS, Mr. HICKENLOOPER, Mr. JENNER, Mr. LANGER, Mr. MALONE, Mr. MARTIN of Iowa, Mr. MARTIN of Pennsylvania, Mr. MUNDT, Mr. O'MAHONEY, Mr. SCHOEPPEL, Mrs. SMITH of Maine, Mr. POTTER, Mr. THURMOND, Mr. KUCHEL, Mr. McCLELLAN, Mr. THYE, Mr. WATKINS, Mr. CAPEHART, and Mr. YOUNG):

S. J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. LANGER:

S. J. Res. 40. Joint resolution proposing an amendment to the Constitution of the United States to grant to citizens of the United States who have attained the age of 18 the right to vote; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. NEUBERGER, Mr. LEHMAN, Mr. SCOTT, Mr. LANGER, Mr. McNAMARA, Mr. MURRAY, Mr. MANSFIELD, Mr. NEELY, Mr. MORSE, and Mr. DOUGLAS):

S. J. Res. 41. Joint resolution to establish a national policy for the production and utilization of food and fiber, so as to make full economic use of the productive capacity of United States farms to improve domestic nutrition and clothing standards and buttress the foreign policy of the United States; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. HUMPHREY when he introduced the above joint resolution, which appear under a separate heading.)

#### MAINTENANCE OF MERCHANT MARINE ACADEMY

Mr. LEHMAN. Mr. President, last year I was pleased to be the cosponsor of the bill (S. 3610) to provide for the maintenance of the United States Merchant Marine Academy at Kings Point, N. Y., as a permanent Federal institution. A similar bill passed the House and was reported favorably by the Senate Interstate and Foreign Commerce Committee, but that action came at such a late date that it prevented the Senate from taking up this measure prior to adjournment in August.

Today, on behalf of myself, my colleague, the senior Senator from New York [Mr. Ives], the Senator from Wisconsin [Mr. WILEY], and the Senator from Missouri [Mr. HENNINGS], I introduce for appropriate reference a similar bill to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy. I ask unanimous consent that a statement explaining the background and nature of this legislation be printed in the RECORD at this point in my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 967) to amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy, introduced by Mr. LEHMAN (for himself, Mr. WILEY, Mr. Ives, and Mr. HENNINGS), was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The statement presented by Mr. LEHMAN is as follows:

#### STATEMENT BY SENATOR LEHMAN

On behalf of myself, and Senators IVES, WILEY, and HENNINGS, I am introducing a bill which would amend section 216 (b) of the Merchant Marine Act, 1936, as amended, to provide for the maintenance of the Merchant Marine Academy.

This Academy, located at Kings Point, Long Island, N. Y., has been in existence since 1938. Since that time it has established an enviable record of providing trained midshipmen for the United States merchant marine. Members of this body who have from time to time served on the Board of Visitors of the United States Merchant Marine Academy can attest to the fine facilities and reputation which the Kings Point academy possesses, not to mention the splendid caliber of young men who have graduated from this Federal institution.

This bill would authorize the Secretary of Commerce to maintain the Merchant Marine Academy at Kings Point on a permanent basis for the instruction and preparation for service in the merchant marine of selected persons as officers. The importance of the merchant marine cannot be overstated, particularly in these critical times. With the responsibility for proper operation of the merchant marine follows the duty to see that this merchant marine is properly manned by qualified officer personnel. This the Federal academy at Kings Point has been doing to a great extent and will do even more completely with the establishment of the academy on a permanent basis as a Federal institution.

During the past couple of years much confusion has arisen within and without the Academy concerning the future of that institution. This has had the unfortunate but inevitable result of adversely affecting the morale of the students and of the faculty. In the words of the report of the House Merchant Marine and Fisheries Committee on a similar bill last year: "As one witness stated, one of the undoubted assets of the school is an indefinable esprit which certainly is not encouraged by continued rumors and acts which indicate an uncertain future. In order to meet this problem, the subcommittee is of the opinion that the Merchant Marine Academy should be recognized as one of the group of academies training young men for the service of their country and to that end should receive status equivalent to that of the Military, Naval, Coast Guard, and Air Academies."

Last year's House bill was similar to one which I was pleased to cosponsor with Senator WILEY and Senator IVES. The House bill, H. R. 9434, passed the House on July 30, and was reported in the Senate by the Senate Interstate and Foreign Commerce Committee on August 18. Unfortunately, because of the press of business so close to the August 20 adjournment date, it was impossible to obtain Senate approval of this bill at that time.

I am pleased to know that three distinguished Members of the House have in this Congress already introduced bills identical to the one which I introduce today. Chairman BONNER of the House Committee on Merchant Marine and Fisheries, which has jurisdiction over this legislation, is the sponsor of one of these bills. Another was introduced by Congressman VAN PELT, who, in the 83d Congress, was chairman of the House subcommittee handling this matter. The third identical bill was introduced by Congressman EUGENE KEOGH, of New York, who has long demonstrated his great interest in and devotion to the cause of the American merchant marine. I am pleased to join with my colleagues in the House in sponsoring this measure in the 84th Congress.

I hope that this Congress will be able to act favorably upon this legislation which is

of importance not only to young men interested in serving in our merchant marine, but of greater importance to the country in its efforts to provide an adequate number of properly trained officers for the merchant marine.

At this time, I wish to take this opportunity to point out that my bill in no way jeopardizes the continuance of the State maritime colleges which have done such a splendid job of graduating young merchant marine officers for such a long period. These four schools, located in New York, California, Maine, and Massachusetts, have their distinct part to play in the important task of adequately manning our merchant fleet. I and many of my colleagues in the Senate have been greatly disturbed by the President's budget recommendation that no funds be appropriated for fiscal 1956 as the Federal share of maintaining these four State maritime schools. I intend to support efforts in the Appropriations Committee and on the floor, if necessary, to provide Federal funds to these State schools as we have for so many years. Indeed, I feel that the bill which I am introducing today serves only to emphasize the importance of training officer personnel for the merchant marine, and both the Federal and the State maritime colleges are equally necessary.

#### EMERGENCY SCHOOL CONSTRUCTION

Mr. SMITH of New Jersey. Mr. President, I introduce, for appropriate reference, a bill reflecting in legislative form the special message on emergency school construction, which we have just received from the President. I am happy to have as cosponsors of the bill the junior Senator from Connecticut [Mr. PURTELL], the Senator from Arizona [Mr. GOLDWATER], the Senator from Ohio [Mr. BENDER], the Senator from Colorado [Mr. ALLOTT], the Senator from North Dakota [Mr. YOUNG], the Senator from Vermont [Mr. FLANDERS], the Senator from Minnesota [Mr. THYE], the Senator from Kansas [Mr. CARLSON], the Senator from South Dakota [Mr. CASE], the Senator from Pennsylvania [Mr. DUFF], the senior Senator from Connecticut [Mr. BUSH], the junior Senator from Utah [Mr. BENNETT], the Senator from Maine [Mr. PAYNE], the Senator from California [Mr. KUCHEL], the senior Senator from Maryland [Mr. BUTLER], the junior Senator from Maryland [Mr. BEALL], and the senior Senator from Utah [Mr. WATKINS].

I also invite any other Senators to join in cosponsoring the bill, and ask unanimous consent that their names may be added any time today.

The Presidential message delivered this morning is of extreme importance, for the unprecedented classroom shortage we are now facing is, as President Eisenhower said in his state of the Union message, "of immediate concern to all our people."

The Senate Committee on Labor and Public Welfare, as its first item of business in the 84th Congress, commenced public hearings on bills relating to Federal aid to school construction. At the opening of the hearings I stated that Congress must proceed with dispatch in the consideration of such proposed legislation. I also stated that final Committee action on the problem would hardly be appropriate until we had re-



ceived, studied, and considered the President's recommendations.

We have now received those recommendations, which were made after thoughtful study and consultation with experts in the field, in both public and private life. I am convinced that the approach recommended today by President Eisenhower is much to be preferred to the straight grant-in-aid proposals now before the Committee. The President's program will do a bigger job better, and, in my opinion, just as quickly, as any proposal heretofore made. In addition, and of the first importance, is the fact that the vital interests and responsibilities of the States and local communities in the field of public education are more perfectly preserved by these recommendations than by any program for general Federal handouts, with or without matching provisions.

President Eisenhower's recommendations are entitled to the thorough study and consideration of the members of the Senate Labor and Public Welfare Committee, of all other Members of the Senate, and of the public, to the end that the Senate may enact the best possible solution to meet this emergency need. With somewhat more leisure, the Congress can study the results of the State and White House conferences on education and the results of other studies soon to be forthcoming, in order to determine the proper role of the Federal Government in public education over the long run.

Mr. President, the bill I have just introduced will, if enacted, provide:

First. For the purchase by the Federal Government of bonds issued by local school districts to finance school construction, where such bonds are not marketable to the public at reasonable rates of interest.

Second. For support by the Federal Government, in association with the States, of the bonds issued by State school building agencies established to finance the construction of buildings for rental to and eventual ownership by local public school systems.

Third. For Federal grants-in-aid, matched by the States, to enable local school districts to qualify for 1 of the 2 forms of assistance previously described.

Fourth. For Federal grants-in-aid, matched by the States, to meet administrative costs of developing and initiating programs designed to overcome obstacles to local financing of school construction or to furnish State advisory and financial aid to local public-school systems.

Several points deserve reemphasis. I wish to emphasize that enactment of this bill, first of all, would make possible a tremendous volume of new construction. Over the next three years, the bill will make possible the joining of local, State, and Federal resources, amounting to \$7 billion, which would result in approximately 200,000 new classrooms, to house close to 6 million children. Second it should be made clear that this bill will permit the building of schools as fast as would be permitted by any alternative program now under consideration. Third the bill is

completely voluntary in its provisions. In the fourth place it is comprehensive and is designed to meet the varying needs of our varied school districts and their problems. Fifth, it fully preserves local initiative and local responsibility.

I commend to the earnest consideration of my colleagues the President's message and the bill I have just introduced.

Mr. President I ask unanimous consent that the bill, together with a summary of its provisions, be printed at the conclusion of my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and summary will be printed in the RECORD.

The bill (S. 968) to authorize Federal assistance to States and communities to enable them to increase public elementary and secondary school construction, introduced by Mr. SMITH of New Jersey (for himself and other Senators), was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That this act may be cited as the "School Construction Assistance Act of 1955."

#### FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that—

(1) free public education is of fundamental importance to the self-governing citizens of a free democracy;

(2) in the United States of America, public education has been from the earliest times the right and the responsibility of the States and communities;

(3) the growth of our population and the enforced curtailment of construction during the years of war and defense mobilization and other factors have combined to cause a serious shortage of public elementary and secondary school facilities;

(4) despite the efforts of local communities, which have increased current school construction to an unprecedented level, there is still a serious national shortage of public school facilities;

(5) the local communities are often, in their efforts to expand school construction to the extent required, confronted with obstacles in applying their potential resources to their needs, including an inability to borrow the necessary funds at reasonable rates, restrictive debt and tax limits, uneconomical school districting and similar matters;

(6) while overcoming these obstacles is primarily the responsibility of the States and communities, the Federal Government, recognizing the Nation's interest in our public school system, can and should take all appropriate steps, consonant with State and local responsibility, to help the States and communities meet their emergency school construction needs.

(b) It is, therefore, the purpose of this act to provide assistance of a substantial and effective nature to States and communities which are handicapped by the shortage of public school facilities, through—

(1) purchase by the Federal Government of obligations issued by local educational agencies to finance school construction where such obligations cannot otherwise be marketed at reasonable rates of interest;

(2) support by the Federal Government, with the participation of the States, of the obligations issued by State school building agencies established to finance the construction of school facilities for rental to and

eventual ownership by local educational agencies;

(3) Federal grants to the States to assist them in helping local educational agencies, economically unable to qualify for the assistance described above, to obtain urgently needed school facilities;

(4) Federal grants to the States to assist them in meeting the administrative costs of developing and initiating programs designed to overcome obstacles to local financing of school construction.

#### TITLE I—FEDERAL PURCHASE OF OBLIGATIONS OF SCHOOL DISTRICTS WITH MARGINAL CREDIT

##### PURPOSE

SEC. 101. For the purpose of assisting local communities to construct public elementary or secondary school facilities, the Commissioner of Education (hereinafter in this act referred to as the "Commissioner") may purchase obligations of local educational agencies, as hereinafter provided, to aid in financing the construction of such facilities by such agencies.

##### AMOUNT OF OBLIGATIONS PURCHASED

SEC. 102. The total of the obligations of a local educational agency purchased under this title with respect to any school facilities may not exceed the Federal percentage, determined under the succeeding sentence, of the cost of constructing such facilities. The Federal percentage for any local educational agency in a State shall be 100 percent minus that percentage which bears the same ratio to 40 percent as the per capita income of the State bears to the per capita income of the continental United States (excluding Alaska), except that (1) the Federal percentage shall in no case be more than 80 percent or less than 50 percent, and (2) the Federal percentage in Hawaii and Alaska shall be 60 percent, and in Puerto Rico, Guam, and the Virgin Islands shall be 80 percent. Such Federal percentages shall be promulgated by the Commissioner as soon as possible after the date of enactment of this act on the basis of the average of the per capita incomes of the States and of the continental United States for the 3 most recent years for which satisfactory data are available from the Department of Commerce, and the percentages so promulgated shall be conclusive for purposes of this title.

##### TERMS OF OBLIGATIONS; LIMITATIONS

SEC. 103. (a) (1) Obligations purchased under this title may be either general or special obligations of a local educational agency, shall be purchased at par or face value, shall be in such form and be secured in such manner and be repaid within such period, not exceeding 30 years, as may be determined by the Commissioner, and shall bear interest at a rate equal to the quarterly rate which the Secretary of the Treasury shall specify as applicable to the calendar quarter during which obligations are purchased by the Commissioner, plus one-half of 1 percent.

(2) The quarterly rate applicable to each calendar quarter shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations of prices during the month preceding such calendar quarter, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month, and by adjusting such estimated average yield to the nearest one-eighth of 1 percent.

(b) Not more than 15 percent of the sums appropriated under this title for any fiscal year shall be available for purchase of obligations of local educational agencies in any State.

(c) No obligations may be purchased under this title after June 30, 1958.

## CONDITIONS TO PURCHASER OF OBLIGATIONS

Sec. 104. Obligations of a local educational agency may be purchased under this title only upon application by the State educational agency to the Commissioner certifying that—

(a) such local educational agency is, as evidenced by a public offering of such obligations, unable to obtain the funds necessary to finance the cost of construction of the school facilities involved from other sources upon reasonable terms and at the interest rate applicable to obligations purchased under this title;

(b) there is an opinion by a qualified attorney that such obligations have been legally issued and are binding on such local educational agency;

(c) the school facilities to be constructed with the proceeds from the sale of the obligations are needed for current or reasonably anticipated enrollments, are consistent with any applicable State redistricting plans or policies, and will be undertaken in compliance with applicable State construction laws and standards;

and including such additional information as may be necessary to make a showing, satisfactory to the Commissioner, that such local educational agency is financially able to pay such obligations as they become due.

## APPROPRIATIONS

SEC. 105. (a) There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1955, and the next 2 fiscal years, such sums, not to exceed an aggregate of \$750 million, as may be necessary for the purchase of obligations as authorized by this title. Payments of principal and interest by local educational agencies on obligations purchased by the Commissioner under this title shall be deposited in the Treasury of the United States, as miscellaneous receipts.

## ADMINISTRATIVE PROVISIONS

SEC. 106. In the performance of, and with respect to, the functions, powers, and duties vested in him by this title, the Commissioner, notwithstanding the provisions of any other law, may—

(a) sell or exchange at public or private sale, upon such terms and at such prices as he may fix, any obligations purchased by him under this title;

(b) subject to the specific limitations in this title and where necessary to protect the financial interest of the United States, consent to the modification, with respect to the time of payment of any installment of principal or interest, security, or any other terms of any obligation, contract, or agreement to which he is a party or which has been transferred to him pursuant to this title; and

(c) include in any contract or instrument made pursuant to this title such other covenants, conditions, or provisions as he may deem necessary to assure payment of obligations purchased under this title.

## ACCOUNTING AND AUDITS

SEC. 107. The Commissioner shall, with respect to the financial operations arising by reason of this title—

(a) prepare annually and submit a business-type budget as provided for wholly owned Government corporations by the Government Corporation Control Act; and

(b) maintain an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act.

(c) determine the character and necessity of expenditures under this title and the manner in which such expenditures are incurred, allowed, and paid, subject to the provisions of law specifically applicable to wholly owned Government corporations.

## TITLE II—FEDERAL CREDIT ASSISTANCE TO STATE SCHOOL BUILDING AGENCIES

## PURPOSE

SEC. 201. For the purpose of assisting States desiring to do so to issue and market obligations to finance the construction of public elementary and secondary school facilities for rental to, and ultimate ownership by, local educational agencies, the Commissioner is authorized, as provided in this title, to enter into agreements, on behalf of the United States, with State school building agencies for making advances to reserve funds established by such agencies to help assure payment of such obligations.

## AGREEMENTS WITH STATE SCHOOL BUILDING AGENCIES

SEC. 202. The Commissioner shall enter into an agreement with the State school-building agency of any State only if

(a) such agency is empowered to enter into an agreement with the Commissioner under this title and otherwise comply with the provisions of this title,

(b) the governor of such State certifies to the Commissioner that methods for securing effective coordination between such agency and the State educational agency have been provided, and

(c) the State law empowering such agency to take the action referred to in clause (a) authorizes payment by the State, subject to and within the limits of appropriations made available for the purpose, of advances for deposit in the State account of the basic reserve fund (or funds) of such agency equal to the amount withdrawn pursuant to the agreement from such account in any year (other than the year in which occurs the latest maturity date of the obligations).

## ESTABLISHMENT OF RESERVE FUNDS

SEC. 203. (a) An agreement pursuant to this title shall provide that the State school-building agency shall establish and thereafter maintain a basic reserve fund and a supplemental reserve fund with respect to each issue of obligations, which funds, so long as any such obligations remain outstanding, shall be held in trust for and irrevocably pledged to the payment and retirement of such obligations.

(b) Where so provided in the agreement at the request of the State school-building agency, such basic reserve fund, or such fund and such supplemental reserve fund, may be established with respect to two or more issues of obligations; and in such case such issues shall, to the extent provided in the agreement, be regarded as a single issue of obligations.

## STATE ADVANCES TO BASIC RESERVE FUND

SEC. 204. Such agreement shall provide for establishment of the basic reserve fund with respect to an issue of obligations on or before the date of delivery of any such obligations to the purchasers thereof, and for deposit by the State therein, upon establishment of such fund, of an amount equal to one-half of the maximum annual debt service on such obligations. The amounts so advanced, plus any amounts subsequently advanced by the State thereto, together with any interest thereon or increments thereof accrued, shall be known as the "State account."

## FEDERAL ADVANCES TO BASIC RESERVE FUND

SEC. 205. (a) In the case of any State school building agency which has entered into an agreement as provided in this title with respect to an issue of obligations, the Commissioner shall advance to such State school building agency for deposit in the basic reserve fund for such issue an amount equal to one-half of the maximum annual debt service of such obligations. Such advance shall be made on or before the date of delivery of any such obligations to the purchasers thereof. The advance so made, plus subsequent advances by the Commissioner, together with interest thereon or increments

thereof accrued, shall be known as the "Federal account."

(b) If any funds are withdrawn in any year (other than the year in which occurs the latest maturity date of the obligations) from the Federal account in a basic reserve fund pursuant to an agreement under this title, the Commissioner shall make an additional advance to such account in an amount equal to that withdrawn.

(c) The faith of the United States is solemnly pledged to the payment of all advances contracted to be made to the Federal account in a basic reserve fund pursuant to this title.

(d) Advances by the Commissioner to the Federal account in a basic reserve fund, together with any other sums in such account, shall be invested, as provided in the agreement—

(1) in interest-bearing securities of the United States or securities guaranteed as to both principal and interest by the United States, or

(2) in bonds or other obligations which are lawful investments for fiduciary, trust, and public funds of the United States.

## PAYMENT TO SUPPLEMENTAL RESERVE FUND

SEC. 206. An agreement pursuant to this title shall provide for payment into the supplemental reserve fund established with respect to an issue of obligations of all sums collected for such purpose pursuant to section 209 (d) (2).

## USE OF SUPPLEMENTAL AND BASIC RESERVE FUNDS

SEC. 207. The agreement pursuant to this title shall provide that if the rentals and other funds available therefor for any year are, after payment of the other expenses specified in section 209 (d) (other than clause (1) thereof) with respect to which such rentals were collected, insufficient to meet the annual debt service for such year on any issue of obligations,

(a) the State school building agency shall use the sums, if any, in the supplemental reserve fund established for such issue for meeting such debt service;

(b) if such sums are insufficient for this purpose, such agency shall use the sums available in the basic reserve fund established for such issue;

(c) withdrawals from the basic reserve fund for this purpose shall be equally divided between the State account and the Federal account in the fund, to the extent the balance in the State account is adequate for this purpose; and

(d) if such balance is not adequate, the amount of any remaining deficiency shall be withdrawn from the Federal account to the extent of any balance therein, except that the total of the withdrawals from such account with respect to such debt service may not exceed one-half of such debt service.

## REPAYMENTS OF ADVANCES

SEC. 208. An agreement under this title with respect to any issue of obligations shall provide that whenever the aggregate of the sums in the basic and supplemental reserve funds, including interest or other increments from the investment thereof, exceeds two times the maximum annual debt service on such issue for any of the ensuing years, the State school building agency shall pay to the Commissioner, first (and until all advances made by the Commissioner, subsequent to the original advance made by him, together with interest or other increment received from the investment of such advances, have been repaid), an amount which bears the same ratio to the amount of such excess as the sum of such subsequent advances bears to the sum of such advances plus the sum of any payments made by the State to the State account in the basic reserve fund in addition to the original amount of such State account; and second (and until all advances made by the Commissioner, together with interest or other increment received from the investment of such advances,



have been repaid), an amount which bears the same ratio to the amount of such excess as the sum of all advances made by the Commissioner bears to such sum plus the sum of all payments made to the State account. Amounts paid to the Commissioner under this section shall be used to redeem any outstanding obligations of the Commissioner issued pursuant to section 212 and any excess shall be deposited in the Treasury of the United States as miscellaneous receipts.

#### ADDITIONAL CONDITIONS OF AGREEMENT

SEC. 209. In addition to the foregoing provisions and such other covenants, conditions, or provisions as the Commissioner may deem necessary to provide reasonable assurance that advances by the Commissioner under this title will be repaid as provided in section 208, each agreement entered into by the Commissioner with respect to any one or more issues of obligations of a State school building agency shall provide—

(a) that (1) all such obligations shall mature in not more than 32 years from the earliest date of any of such obligations and the first payment of principal shall become due not later than the end of the third year following such earliest date, and (2) the proceeds of the sale of such obligations shall be used to finance the cost (including interest prior to, during, and for such period not exceeding 1 year after completion of construction as may be provided in the agreement, and other necessary carrying charges) of construction of school facilities, for rental by local educational agencies requesting such facilities;

(b) that such school facilities shall be limited to those certified by the State educational agency to be needed for current or reasonably anticipated enrollments and to be consistent with any applicable State redistricting plans or policies, and that construction thereof will be in accord with applicable State construction laws and standards;

(c) that such school facilities, upon completion of construction, shall (1) be leased to the local educational agency for the school district in which the school facilities are located, (2) if the State so desires, be conveyed to such local educational agency upon the making of adequate provision for repayment of advances made by the Commissioner with respect to the issue of obligations and for retirement of such issue or an agreed upon portion thereof, as provided in the agreement; and

(d) that the rentals for such facilities shall be fixed, charged, and collected in amounts which will in the aggregate, together with other sums available for the purpose, provide sufficient funds to pay, to the extent payment is not otherwise provided for, (1) the annual debt service on the issue of obligations, and (2) in each year until the latest maturity date of such issue of obligations, for deposit in the supplemental reserve fund, an amount equal to one-fourth of 1 percent of the original principal amount of such issue of obligations, and (3) the cost of the maintenance, repair, replacement, and insurance of such facilities, and administrative and other expenses of the State school building agency in connection with such facilities or the financing thereof.

#### AUTHORIZATION ON APPROPRIATIONS

SEC. 210. There are hereby authorized to be appropriated for the fiscal year beginning July 1, 1955, and the next 2 fiscal years, such sums as may be necessary to provide the initial Federal advances authorized by this title to be made to basic reserve funds.

#### LIMIT ON AMOUNT OF OBLIGATIONS

SEC. 211. The issues of obligations with respect to which Federal advances may be made pursuant to this title shall be limited to obligations issued in the period beginning July 1, 1955, and ending June 30, 1958, in

an aggregate principal amount not to exceed \$6 billion.

#### OBLIGATIONS ISSUED BY SECRETARY

SEC. 212. (a) To obtain funds for additional advances under section 205 (b), the Commissioner shall issue notes, debentures, or other obligations for purchase by the Secretary of the Treasury. The total amount of such obligations issued in any year may not exceed the aggregate amount needed for such additional advances for such year.

(b) Obligations issued by the Commissioner under this section shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the Commissioner, with the approval of the Secretary of the Treasury. Such obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of such obligations. The Secretary of the Treasury is authorized and directed to purchase any obligations of the Commissioner issued under this section and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such act, as amended, are extended to include any purchases of the Commissioner's obligations hereunder. There are hereby authorized to be appropriated such sums as may be necessary, together with repayments made by State school building agencies hereunder, for payments on obligations issued by the Commissioner under this section.

#### ADMINISTRATIVE PROVISIONS

SEC. 213. (a) In the performance of, and with respect to, the functions, powers, and duties vested in the Commissioner by this title, the Commissioner, in addition to other powers conferred by this act, shall have power to agree to modifications of agreements made under this title and to pay, compromise, waive, or release any right, title, claim, lien, or demand, however arising or acquired under this title; except that nothing in this subsection shall be construed to affect the power of the Attorney General in the conduct of litigation arising under this act.

(b) Financial transactions of the Commissioner in making advances pursuant to this title, and vouchers approved by the Commissioner in connection with such financial transactions, shall be final and conclusive upon all officers of the Government.

#### SUITS AGAINST THE UNITED STATES

SEC. 214. Any State school building agency with which the Commissioner has made an agreement under this title, or any holder of obligations with respect to which a reserve fund has been established under this title, may bring suit against the United States to enforce any duty of the Commissioner under this title or any undertaking of the Commissioner under an agreement under this title. In any action arising under this title to which the United States is a party, the district courts of the United States shall have jurisdiction, without regard to the amounts involved. Such action shall be brought in the district court of the United States for the judicial district in which the plaintiff, or any of the plaintiffs if there are more than one, resides or has his principal place of business or, if he does not have his principal place of business within any such judicial district, in the District Court of the United States for the District of Columbia.

#### PURCHASE OF OBLIGATIONS BY NATIONAL BANKS

SEC. 215. The last sentence of paragraph seventh of section 5136 of the Revised Statutes, as amended (12 U. S. C. 24), is

amended by inserting "or State school building agency (but only in the case of obligations, of such an agency, with respect to which advances have been made pursuant to title II of the School Construction Act of 1955)" after "International Bank for Reconstruction and Development" and by striking out (in the proviso) "either of said banks" and inserting in lieu thereof "any of said banks or State school building agencies."

#### TAX EXEMPT STATUS OF OBLIGATIONS

SEC. 216. Obligations of any State school building agency, including interest thereon, with respect to which advances are made pursuant to this title, and income of such agency in connection with the school facilities financed by such obligations, shall be exempt from all taxes (other than estate, inheritance, and gift taxes) now or hereafter imposed by the United States.

#### TITLE III—FEDERAL GRANT ASSISTANCE TO STATES FOR SCHOOL DISTRICTS ECONOMICALLY UNABLE TO FINANCE OR LEASE URGENTLY NEEDED SCHOOL FACILITIES

##### PURPOSE AND APPROPRIATION

SEC. 301. For the purpose of enabling local educational agencies to finance or lease urgently needed school facilities in cases where such agencies, because of lack of economic capacity, are unable—

(a) to sell their obligations to the Commissioner under title I, in the amounts needed to construct the facilities, or

(b) to rent such facilities from a State school building agency at rentals which the Commissioner determines to be comparable to those charged by State school building agencies pursuant to agreements with the Commissioner under title II,

there are hereby authorized to be appropriated for the fiscal year beginning July 1, 1955, and the next 2 fiscal years, such sums, not to exceed an aggregate of \$200 million, as the Congress may determine. Sums appropriated under this section for any year shall remain available for obligation until June 30, 1958.

##### ALLOTMENTS

SEC. 302. (a) (1) From the sums appropriated pursuant to section 301 for a fiscal year, the Commissioner shall allot initially to each State an amount which bears the same ratio to such sums as the school-age population of such State bears to the school-age population of all the States.

(2) At such time or times after December 31 of each fiscal year as the Commissioner determines, after receiving advice from the States with respect thereto, that the amounts (if any) to be paid to any State from its initial allotment for such year under this subsection will total less than such allotment, he shall reallocate the portion of such initial allotment which he determines will not be so paid to such State. Such reallocations shall be made by the Commissioner to the States with respect to which he has not made the determination referred to in the preceding sentence for such year, on the same basis as the initial allotments for such year under paragraph (1).

(b) The sums allotted to a State for a fiscal year under subsection (a) shall be available (as provided hereinafter in this title) for paying the Federal share of payments by State educational agencies to assist in financing the cost of construction of school facilities for local educational agencies in the State.

##### STATE PLANS

SEC. 303. The Commissioner shall approve a State plan for purposes of this title if such plan—

(a) provides that the State educational agency shall be the sole agency for administration of the plan;

(b) sets forth standards and procedures, conforming to regulations of the Commissioner (prescribed after consultation with a

conference of representatives of State educational agencies), for determining eligibility of local educational agencies for payments under the plan and the amounts thereof, and the need for the facilities to be constructed, which standards and procedures provide reasonable assurance that

(1) such payments will be made only if, and to the extent, necessary to enable any local educational agency (A) to sell to the Commissioner, pursuant to title I, obligations in the amounts needed by such agency to construct the school facilities with respect to which the payments are made, or (B) if such agency is legally unable to sell such obligations, to rent such facilities from a State school-building agency at rentals which the Commissioner determines to be comparable to those charged by State school-building agencies pursuant to agreements with the Commissioner under title II; and

(2) such payments will be made only with respect to the construction of school facilities needed to relieve or prevent extreme overcrowding, double shifts, or unhealthful or hazardous conditions;

(c) provides such accounting, budgeting, and other fiscal methods and procedures as are necessary for the proper and efficient administration of the plan; and

(d) provides for the making of such reports, in such form and containing such information, as the Commissioner may from time to time reasonably require to carry out his functions under this title, and for compliance with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports.

#### PAYMENTS

Sec. 304. (a) In the case of each project for the construction of school facilities for a local educational agency with respect to which the State educational agency requests any funds under this title, the State educational agency shall include in its request—

(1) a description of the school-facilities project with respect to which the request is made;

(2) its estimate of the cost of construction of such project and a statement of the amount of the payment proposed to be made by the State educational agency with respect thereto under the plan.

(3) a certification that—

(A) it has determined, in accordance with the standards and procedures in the State plan, that the local educational agency is eligible for the payment proposed and that the school-facilities project is needed to relieve or prevent extreme overcrowding, double shifts, or unhealthful or hazardous conditions;

(B) such local educational agency has requested the Commissioner to purchase, under title I, the Federal percentage of the obligations needed to finance the project and the Commissioner has denied such request because the agency is financially unable to repay the obligations or, if it is legally unable to sell such obligations, has requested a State school-building agency, which provides school facilities at rentals which the Commissioner determines to be comparable to those charged by State school-building agencies pursuant to agreements under title II, to provide such facilities and has had its request denied because it is financially unable to pay the rental for such facilities;

(C) State funds to cover the State share of such payment will be available.

(b) Each request for funds pursuant to subsection (a) shall be accompanied by a statement of the facts on which the State educational agency based its certification and its estimate of the cost of construction of the project, and such further information as the Commissioner may require for purposes of this title with respect to the school-facilities project involved.

(c) (1) The Commissioner, unless he finds that a payment under a State plan with

respect to a school-facilities project for a local educational agency, for which a State has requested funds as provided in subsections (a) and (b), would not be in accord with the standards and procedures set forth in the State plan approved under section 303, shall reserve for such project a sum equal to the Federal share of such payment to the extent such sum is available in the State's allotment; and such sum shall remain available for payment to the State educational agency (unless the State withdraws its request) under paragraph (2) of this subsection until the end of the fiscal year following that in which such sum is so reserved.

(2) Upon certification by the State educational agency that—

(A) State funds equal to the State share of the payment with respect to such school-facilities project has been paid to or on behalf of the local educational agency, and

(B) the financing of the remainder of the cost of construction of such facilities has been arranged,

the Commissioner shall pay the State educational agency the Federal share of such payment.

(d) The "Federal share" for any State shall be 100 percent minus the "State share", and the State share shall be that percentage which bears the same ratio to 50 percent as the per capita income of such State bears to the per capita income of the continental United States (excluding Alaska), except that the State share shall in no case be more than 60 percent or less than 40 percent, and except that the State share for Hawaii and Alaska shall be 50 percent, and for Puerto Rico, Guam, and the Virgin Islands shall be 40 percent. Such Federal and State shares shall be promulgated by the Commissioner as soon as possible after the date of enactment of this act on the basis of the average of the per capita incomes of the States and of the continental United States for the 3 most recent years for which satisfactory data are available from the Department of Commerce, and the percentages so promulgated shall be conclusive for purposes of this title.

#### ABANDONMENT OF FACILITIES

Sec. 305. If the construction of any school facilities with respect to which funds have been paid to a State under this title is terminated or abandoned or not completed within such reasonable period as may be determined in accordance with regulations of the Commissioner, such State shall be obligated to repay to the United States, for deposit in the Treasury as miscellaneous receipts, the amount of such funds or such lesser amount as the Commissioner deems reasonable under the circumstances.

#### LABOR STANDARDS

Sec. 306. (a) The Commissioner shall not make any payments under this title to assist in financing the construction of any school-facilities project, except upon adequate assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on such project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U. S. C. 276a-276a-5), and will receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of 8 hours in any workday or 40 hours in the workweek, as the case may be.

(b) The Secretary of Labor shall have, with respect to the labor standards specified in subsection (a) of this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F. R. 3176, 64 Stat. 1267), and section 2 of the act of June 13, 1934, as amended (40 U. S. C. 276c).

#### TITLE IV—FEDERAL GRANT ASSISTANCE TO STATES FOR ADMINISTRATION OF STATE PROGRAMS TO INCREASE SCHOOL CONSTRUCTION

##### AUTHORIZATION OF APPROPRIATIONS

Sec. 401. There are hereby authorized to be appropriated \$5 million each for the fiscal year beginning July 1, 1955, the fiscal year beginning July 1, 1956, and the fiscal year beginning July 1, 1957, \$3 million for the fiscal year beginning July 1, 1958, and \$2 million for the fiscal year beginning July 1, 1959, for grants to States to assist them in meeting their administrative expenses in the development and initiation of State programs designed to increase public-school construction and promote efficiency in such construction.

##### ALLOTMENTS AND PAYMENTS

Sec. 402. (a) From the sums appropriated for any fiscal year pursuant to section 401, the Commissioner shall allot to each State an amount bearing the same ratio to such sums as the school-age population of such State bears to the school-age population of the United States. The allotment to any State under the preceding sentence for any fiscal year which is less than \$25,000 (or, in the case of Guam or the Virgin Islands, which is less than \$12,500) shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments of each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than that amount.

(b) From each State's allotment under this section for any fiscal year, the Commissioner shall pay to such State 50 percent of the State's administrative expenses in the development of any State program for increasing construction of school facilities or promoting greater efficiency in planning or financing the construction of such facilities, or in the initiation of any such program when authorized by law, including the development and initiation of programs such as those to—

(1) extend State technical assistance to the local educational agencies in the planning and financing of construction of school facilities;

(2) extend State financial aid to local educational agencies, through loans, grants, or otherwise, in the construction of school facilities;

(3) adjust or modify unduly restrictive debt or tax limits or other obstacles to adequate and economical financing of construction of school facilities, including the basing of debt or tax limits on the full value of real property; or

(4) achieve a more efficient organization of school districts in the State.

(c) No payment may be made under this title with respect to any program unless the State plan approved under section 403 includes such program or has been modified to include it and unless the State educational agency certifies that it is a new program for the State (which, for purposes of this title, includes an addition to an existing program of the State). In the case of any program of the State (or any addition to a program) initiated after December 31, 1954, the continuation thereof shall be considered a new program for purposes of the preceding sentence if submitted under this title by the State prior to July 1, 1956.

(d) Payments under this section with respect to any program may be made during a period of not to exceed 3 years beginning with the commencement of the first fiscal year for which any payment is made with respect to such program from an allotment under this section, but only if such program has been submitted under this title prior to July 1, 1958.



## APPROVAL OF STATE PLANS

SEC. 403. The Commissioner shall approve any State plan for purposes of this title if such plan—

(a) provides that the State educational agency shall be the sole agency for carrying out programs under the plan, either directly or through arrangements with other agencies of the State;

(b) provides such accounting, budgeting, and other fiscal methods and procedures as are necessary for the proper and efficient administration of programs under the plan;

(c) provides for the making of such reports, in such form and containing such information, as the Commissioner may from time to time reasonably require to carry out his functions under this title, and for compliance with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; and

(d) sets forth the programs proposed to be carried out under the plan and the general policies to be followed in doing so.

## METHOD OF MAKING AND COMPUTING PAYMENTS

SEC. 404. The method of computing and paying amounts pursuant to section 402 shall be as follows:

(a) The Commissioner shall, prior to the beginning of each calendar quarter or other period prescribed by him, estimate the amount to be paid to each State under the provisions of such section for such period, such estimate to be based on such records of the State and information furnished by it, and such other investigation, as the Commissioner may find necessary.

(b) The Commissioner shall pay to the State, from the allotment available therefor, the amount so estimated by him for such period, reduced or increased, as the case may be, by any sum (not previously adjusted under this paragraph) by which he finds that his estimate of the amount to be paid the State for any prior period under such section was greater or less than the amount which should have been paid to the State for such prior period under such section. Such payments shall be made in such installments as the Commissioner may determine.

(c) Any funds paid to a State under this title which are not used for the purposes for which paid shall be returned to the Commissioner for deposit in the Treasury of the United States as miscellaneous receipts.

TITLE V—GENERAL PROVISIONS  
DEFINITIONS

SEC. 501. For purposes of this act—

(a) The term "Commissioner" means the (United States) Commissioner of Education.

(b) The term "State" includes Alaska, Hawaii, Puerto Rico, Guam, and the Virgin Islands.

(c) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the officer or agency primarily responsible for State construction or supervision of construction of such schools, whichever may be designated by the Governor or by State law.

(d) The term "State school building agency" means the single agency, official, governmental entity, or instrumentality of a State, designated or established by the State for purposes of title II.

(e) The term "local educational agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a city, county, township, school district, or political subdivision in a State. If a separate public authority has responsibility for the provision or maintenance of school facilities for any local educational agency or the financing of the

construction thereof, such term includes such other authority.

(f) The term "school-age population" means that part of the population which is between the ages of 5 and 17, both inclusive, and such school-age population for the several States shall be determined on the basis of the latest figures furnished by the Department of Commerce.

(g) The term "debt service" means the aggregate amount required to pay the interest on and principal of each issue of obligations.

(h) The term "annual debt service" means the aggregate amount required to pay the interest on and principal of each issue of obligations becoming due in each successive 12-month period designated in accordance with the agreement under title II.

(i) The term "school facilities" includes classrooms and related facilities for public elementary and secondary education; initial equipment, machinery, and utilities necessary or appropriate for school purposes; and interests in land (including site, grading, and improvement) on which such facilities are constructed. Such term does not include athletic stadia, or structures or facilities intended primarily for events, such as athletic exhibitions, contests, or games, for which admission is to be charged to the general public.

(j) The terms "construct," "constructing," and "construction" include the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

## WITHHOLDING OF FUNDS AND JUDICIAL REVIEW

SEC. 502. (a) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State educational agency, finds that—

(1) the State plan approved under section 303 or 403, as the case may be, has been so changed that it no longer complies with the requirements of such section; or

(2) in the administration of the plan there is a failure to comply substantially with any such requirement;

the Commissioner shall notify such State agency that no further payments will be made to the State from its allotments under section 302 or 402, as the case may be, (or, in his discretion, that further payments will not be made to the State for projects or programs under the State plan affected by such failure), until he is satisfied that there will no longer be any such failure. Until he is so satisfied the Commissioner shall make no further payments to such State from its allotments under such section (or shall limit payments to projects or programs under the State plan in which there is no such failure). The foregoing provisions of this subsection shall not apply to payment or any amount reserved under section 304 (c) with respect to any school facilities project not affected by such failure; except that, after notice as provided in this subsection to any State, the Commissioner may suspend the making of further reservations of funds under section 304 (c) for projects in such State pending the making of the findings under this subsection.

(b) (1) If any State is dissatisfied with the Commissioner's action under subsection (a) of this section, such State may appeal to the United States court of appeals for the circuit in which such State is located. The summons and notice of appeal may be served at any place in the United States.

(2) The findings of fact by the Commissioner, unless substantially contrary to the weight of the evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may

thereupon make new or modified findings of fact and may modify his previous action. Such new or modified findings of fact shall likewise be conclusive unless substantially contrary to the weight of the evidence.

(3) The court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in title 28, United States Code, section 1254.

## UTILIZATION OF OTHER AGENCIES

SEC. 503. In administering the provisions of this act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and, without regard to section 3709, as amended, of the Revised Statutes, of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary of Health, Education and Welfare, and the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon by the Secretary and the head of the agency or institution concerned.

## DELEGATION OF COMMISSIONER'S FUNCTIONS

SEC. 504. The Commissioner is authorized to delegate any of his functions under this act, except the making of regulations, to any officer or employee of the Office of Education.

## APPROPRIATION FOR ADMINISTRATION

SEC. 505. There are hereby authorized to be appropriated for each fiscal year to the Department of Health, Education, and Welfare such sums as may be necessary for the administration of this act.

The summary presented by Mr. SMITH of New Jersey is as follows:

## SUMMARY OF SCHOOL CONSTRUCTION PROPOSAL

The bill, in addition to a section containing the findings and declaration of purpose, has four substantive titles (there is a fifth title with definitions and miscellaneous provisions). All are designed to assist the States and local communities in increasing public-school construction.

Title I authorizes Federal purchases of part of the obligations of local educational agencies where such obligations cannot otherwise be marketed at reasonable rates of interest.

Title II authorizes Federal support, with State participation, of obligations issued by State school building agencies established to finance the construction of school facilities for rental to and eventual ownership by local educational agencies.

Title III authorizes grants to States to assist them in helping local educational agencies, economically unable to qualify for either of the two forms of assistance described above, to obtain urgently needed school facilities.

Title IV authorizes grants to States to assist them in meeting the administrative costs of developing State programs to overcome obstacles to local financing of school construction and of initiating such programs when authorized by law.

The bill would be administered at the Federal level by the Commissioner of Education.

## TITLE I—FEDERAL PURCHASE OF OBLIGATIONS OF SCHOOL DISTRICTS WITH MARGINAL CREDIT

## Eligibility

The Commissioner of Education would be authorized to purchase a part of the obligations issued by a local educational agency to finance the cost of constructing school facilities upon certification by the State educational agency that the local agency is unable, as evidenced by a public offering of its obligations for the purpose, to obtain financing from other sources at rates and

on terms comparable to those applicable to obligations purchased under this title.

Such purchase by the Commissioner would also be conditioned on certification by the State educational agency that the facilities to be constructed with the proceeds of the obligations are needed to meet current or future enrollments, are consistent with any applicable State redistricting plans and policies and will be constructed in accordance with State construction laws and standards; and that, under the opinion of a qualified attorney, the bonds are legally issued and binding. The State educational agency would also be required to submit additional information to satisfy the Commissioner that the local educational agency is financially able to pay its obligations when due.

#### *Appropriations*

Appropriations aggregating \$750 million would be authorized for the three fiscal years 1956, 1957, and 1958.

#### *Amount of purchase*

Not more than 15 percent of the amount appropriated for any year for purchases of obligations under the title would be available for purchase of the obligations of local educational agencies in any one State. The percentage of the cost of construction of any school facilities which could be covered by any such purchase would depend on the relative per capita income of the State. This percentage would vary between 50 and 80 percent; the percentage for the State with the national average per capita income would be 60 percent.

#### *Interest, duration, and other attributes of obligations*

Obligations could be purchased under this title during the 3-year period beginning July 1, 1955, and ending June 30, 1958. The obligations could be any general or special obligations of the local educational agency. They would have to be purchased at par or face value, must be repaid within such period, not exceeding 30 years, as the Commissioner might determine, and would bear interest at the quarterly rate determined by the Secretary of the Treasury (on the basis of the rate for United States obligations with a maturity date of 15 or more years) to be applicable to the calendar quarter during which the obligations are purchased, plus one-half of 1 percent.

#### *Administrative provisions*

In addition to his other powers and duties, the Commissioner could sell or exchange the obligations purchased, could make adjustments in the obligations, and contracts with respect thereto, to protect the interest of the United States, could determine the character and necessity of expenditures, and would have to maintain a set of accounts, to be audited by the General Accounting Office, and a business-type budget.

#### **TITLE II—FEDERAL CREDIT ASSISTANCE TO STATE SCHOOL BUILDING AGENCIES**

##### *Agreements with State school building agencies*

The Commissioner of Education would be authorized on behalf of the United States to enter into agreements with State school building agencies under which the State and the Commissioner would make advances to a State school building agency for establishment of reserve funds to help assure payment of obligations issued by such agency to finance the construction of schools for rental to local school districts. This agency could be a State school building agency or any other State agency, official, governmental entity, or instrumentality designated by the State and empowered to construct school facilities and otherwise carry out the provisions of an agreement entered into under this title. But there could be only one agency for a State for purposes of this title.

The agreement could be made with respect to any one or more issues of obligations and

could be amended from time to time, as agreed upon by the State school building agency and the Commissioner.

Where the State school building agency is not the same as the State educational agency, the agreement would be conditioned upon certification by the Governor that methods of securing effective coordination between the two agencies had been provided.

#### *Basic reserve fund*

An amount equal to one-half of the maximum annual debt service on any issue of obligations under the agreement would be advanced by the State. A like amount would be advanced by the Federal Government. The amount advanced by the State would be known as the State account and that advanced by the Federal Government would be known as the Federal account. These two advances, plus interest and increments, would constitute the basic reserve fund.

#### *Supplemental reserve fund*

There would also be a supplemental reserve fund for each issue of obligations consisting of amounts deposited in such fund by the State school building agency out of rentals collected from the local educational agencies for which it provided school facilities. As indicated below, the rentals, in the aggregate, should be sufficient to cover, among other items, a deposit in this reserve of one-quarter of 1 percent of the original principal amount of any issue of obligations.

#### *Combination of issues*

At the option of the State school building agency, a single basic reserve, or a single such reserve and a single supplemental reserve, could be established for any two or more issues of obligations of the State agency. In that case, the agreement would provide the extent to which the combination of issues would be treated as a single issue.

#### *Conditions of agreements*

Under an agreement, all obligations in any issue for which a basic reserve fund is established would be required to mature in not more than 32 years from their earliest date, and the initial payment of principal would have to be due within 3 years from such date. The proceeds from the sale of the obligations could be available only for construction of school facilities for rental to local educational agencies requesting them.

The agreement would have to provide that the school facilities constructed would be certified by the State educational agency to be needed for current or anticipated school enrollments and to be consistent with applicable State redistricting plans and policies and in accord with State construction laws and standards.

The agreement would also have to provide for rentals which in the aggregate produced sufficient funds (together with other funds available) to pay, to the extent not otherwise provided for, the annual debt service, one-quarter of 1 per cent of the original principal amount of the issue of obligations (for payment into the supplemental reserve fund), the cost of maintenance, repair, replacement, and insurance, as well as the administrative and other expenses of the State school building agency.

#### *Additional advances and use of reserve funds*

If the rentals collected for any year by the State school building agency are insufficient to pay the items specified above with respect to any issue of obligations, the State school building agency would draw on the supplemental reserve to pay the portion of the annual debt service not covered by the rentals. After exhaustion of that reserve, the State and Federal accounts in the basic reserve fund would be equally available for payment of the annual debt service. If the State account were inadequate to bear its share of the unpaid annual debt service, the de-

ficiency could be made up from the Federal account, to the extent of any balance therein. In the case of no year, however, could the Federal account be drawn upon for more than one-half of the annual debt service for that year.

After any withdrawals from the Federal account in the basic reserve fund for any year, the Commissioner would be obligated to restore the account to its original balance.

The State would also pay into the State account in any year the amount withdrawn for payment of the debt service for that year, but only to the extent of appropriations made available for the purpose.

#### *Borrowing authority for additional Federal advances*

The faith of the United States is pledged to the advances contracted by the Commissioner to be made under the title; and the Commissioner would be authorized to issue obligations to the extent necessary to make the additional advances. The Secretary of the Treasury would be directed to purchase such obligations. Obligations so issued would bear interest at a rate determined by the Secretary of the Treasury after considering the current average rate on outstanding marketable obligations of the United States.

#### *Repayments of Federal advances*

Whenever the total of the sums in a supplemental reserve and a basic reserve fund, including interest and accruals, is more than twice the maximum annual debt service in any ensuing year on the issue of obligations involved, the excess would be required to be applied to repayments of the advances made by the Federal Government under this title. Repayments would first be made to the extent of any additional advances made by the Commissioner after the original advance to the basic reserve fund. These repayments would be made from the excess in the proportion that such additional advances bore to any additional advances made by the State to the State account in the basic reserve fund, after its original advance to that account.

After the subsequent advances of the Federal Government had been repaid, any excess over twice the maximum annual debt service for any ensuing year would be used to repay the Federal Government's original advance to the basic reserve fund in the proportion that the total of all advances by the Federal Government under the title bore to the total of all advances made by the State to the State account for the purpose of establishing and maintaining that account.

Repayments to the Federal Government as above provided would be used to retire any obligations issued under the Commissioner's authority to borrow funds, and any excess would be deposited in the Federal Treasury as miscellaneous receipts.

#### *Duration of program*

Appropriations would be authorized for the fiscal years 1956, 1957, and 1958 to cover the amount of the initial Federal advances to basic reserve funds. Such advances could be made only with respect to obligations issued during such 3 fiscal years. Obligations so issued, however, could (as indicated above) have maturities of up to 32 years after the earliest date of the obligations in the particular issue.

#### *Total of obligations secured*

Advances could be made by the Commissioner under this title for establishment of reserve funds to help assure payment of obligations in a principal amount aggregating up to \$6 billion.

#### *Investments by national banks*

National banks would be permitted to deal in the obligations covered by agreements under the title and by reserve funds established pursuant thereto, to the extent that they would be lawful investments for such banks.



### Administrative provisions

The Commissioner would be authorized to waive and compromise claims, and his financial transactions under the title would not be subject to review by any other governmental official.

### Investment of funds in Federal account

Funds in the Federal account of basic reserve funds would have to be invested in United States securities, or United States guaranteed securities, or obligations which are lawful investments for public funds of the United States. The distribution as between these various types of interest-bearing securities and the maturities thereof, would be provided in the agreement.

### Court action

Suits would be authorized in the district courts of the United States, by the State school-building agency or any bondholder to enforce any undertaking of the United States under the title.

### Exemption from taxation

Obligations of State school building agencies covered by agreements made pursuant to this title, and the income of these agencies in connection with facilities financed therefrom, would be exempt from all Federal taxation except estate, inheritance, and gift taxes.

### TITLE III—FEDERAL GRANT ASSISTANCE TO STATES FOR SCHOOL DISTRICTS ECONOMICALLY UNABLE TO FINANCE OR LEASE URGENTLY NEEDED SCHOOL FACILITIES

#### Appropriation

An aggregate amount of \$200 million for the three fiscal years 1956, 1957, and 1958 would be authorized to be appropriated for grants to States to cover the Federal share of payments by the State to local educational agencies, urgently in need of school facilities but unable to sell their obligations to the Commissioner of Education under title I because of their lack of economic capacity, or unable for the same reason to lease facilities to be built by State school building agencies which charge rentals comparable to those available under title II agreements.

#### Allotments

Initial allotments to the States of funds appropriated in any year under this title, would be made on the basis of their respective school-age populations. After receiving advice from States indicating they would not use up their entire allotments, reallocations could be made by the Commissioner, from time to time between January 1 and June 30, among the other States on the same school-age population basis.

Allotments to the States would be available for paying the Federal share of payments by State educational agencies to assist in financing the cost of constructing school facilities for local educational agencies. The Federal share would be varied, on the basis of relative per capita income, between 40 percent and 60 percent, with the Federal share for the State with the national average per capita income being 50 percent.

#### State plans

State plans would be approved under this title if they (1) provided for administration by the State educational agency; (2) set forth standards and procedures, conforming to regulations of the Commissioner, providing reasonable assurance that payments to local educational agencies will be made (a) only if, and to the extent, necessary to enable the local agency to sell its obligations, to finance the remainder of construction costs, under title I of the bill or to arrange with a State school building agency (which charges rentals comparable to those charged under an agreement under title II of the bill) to build the building and lease it to the local agency, and (b) only with respect to school facilities needed to relieve or prevent

extreme overcrowding, double shifts, or unhealthful or hazardous conditions.

The plan would also have to provide for adequate accounting, budgeting, and other fiscal procedures and for the making of necessary reports to the Secretary.

### Payments from allotments

The State educational agency would have to file a request for Federal funds in connection with any school facilities project. The request would have to contain a certification by the State agency (1) that the local educational agency is eligible for the proposed payment (of Federal and State funds) under the standards and procedures in the State plan (relating to eligibility and amount of payment and need for facilities), (2) that because of its lack of economic capacity the Commissioner had refused the local agency's request to purchase part of its obligations for the needed facilities, or the State school building agency had refused it the rental of such facilities at rates comparable to those charged under the agreement, and (3) that State funds to cover the State share of the proposed payment to the local agency are available.

The Commissioner would reserve the Federal share of the proposed payment to the local educational agency unless he determines that the payment would not be in accord with the standards and procedures included in the State plan as to eligibility and amount of payment and need for facilities. The reservation would stand until the end of the succeeding year.

Payment of the Federal share of the State educational agency's payment to the local agency under the State plan would be made upon certification by the State agency that it had paid the State share to the local agency and that the rest of the financing of the cost of constructing the facilities had been arranged.

The State share would be varied among the States, on the basis of relative per capita income, between a minimum of 40 percent and a maximum of 60 percent, with the State share for the State with the national average per capita income being 50 percent. The Federal share would be the difference between the State share and 100 percent.

### Abandonment of facilities

The Federal share (or lesser amount determined by the Commissioner) would have to be repaid to the United States if the construction of facilities with respect to which such share was paid is terminated, abandoned, or not completed within a reasonable time.

### Labor standards

The Commissioner would not be able to extend any assistance under title I for financing the construction of school facilities except upon assurance that labor standards, relating to payment of prevailing wages and overtime pay for work in excess of 40 hours per week or 8 hours per day, would be observed in such construction.

### TITLE IV—ADMINISTRATIVE EXPENSES OF STATE PROGRAMS TO INCREASE SCHOOL CONSTRUCTION

#### Appropriation

Five million dollars each for the fiscal years 1956, 1957, and 1958, \$3 million for the fiscal year 1959, and \$2 million for the fiscal year 1960 would be authorized to be appropriated under this title for grants to States to assist in meeting their administrative expenses in developing State programs designed to increase school construction, and in initiating such programs when authorized by law.

### Allotments and payments

The appropriation for any year under this title would be allotted among the States on the basis of school-age population but with a minimum allotment of \$25,000 (\$12,500 for Guam and the Virgin Islands). Each State allotment would be available for paying half

the cost of the State administrative expenses in the development of State programs for increasing construction of school facilities and promoting greater efficiency in planning or financing the construction of such facilities, or in the initiation of any such program when authorized by law.

### Programs eligible

To be eligible for Federal support under this title, a program would have to be a new program, or an addition to an existing program, initiated after December 31, 1954, and submitted under this title prior to July 1, 1958 (prior to July 1, 1956, if initiated prior to enactment of the bill). The program would have to be included under a State plan approved by the Commissioner.

The types of programs, for the development or initiation of which grants under this title would be available, would include programs such as those extending technical or financial aid in planning or financing school construction and those to achieve more efficient school-district organization or to adjust or modify unduly restrictive tax or debt limits.

### Duration of payments

Payments under this title could be made for only 3 years with respect to any one program.

### TITLE V—GENERAL PROVISIONS

#### Definitions

This title defines a number of terms used in the act. These terms are Commissioner, State, State educational agency, State school-building agency, local educational agency, school-age population, debt service, annual debt service, school facilities, and construct, constructing, and construction.

### Withholding of funds and judicial review

Notice and hearing to the State educational agency would be required before grants to the State could be withheld under title III or IV for failure to comply with the required provisions of approved State plans under those titles. A State agency dissatisfied with such withholding action could obtain judicial review thereof in the Federal circuit courts of appeals.

### Miscellaneous

The title also authorizes utilization of other agencies in the administration of the bill and delegation of the Commissioner of Education's functions under the bill to personnel of the Office of Education.

Mr. THYE subsequently said: Mr. President, President Eisenhower has presented an excellent program in his message and in the proposed legislation for Federal assistance to States and communities to enable them to increase public-school construction. I am very glad to join as a cosponsor of the proposed legislation, which is based on a careful study of the needs throughout the country, providing effective Federal assistance, and recognizes that our public-school system must be founded on local control and responsibility.

It is in the field of construction of school facilities to meet expanding requirements that our school need is great, and it is in this field that the Federal Government can most effectively assist the States and local school districts.

The program proposes to provide substantial and effective assistance in four major phases:

Purchase by the Federal Government of obligations issued by local educational agencies to finance school construction, where such obligations cannot otherwise be marketed at reasonable rates of interest.

Support by the Federal Government, with the participation of the States, of the obligations issued by State school-building agencies established to finance the construction of school facilities for rental to, and eventual ownership by, local educational agencies.

Federal grants to the States, to assist them in helping local educational agencies, economically unable to qualify for the assistance described above, to obtain urgently needed school facilities.

Federal grants to the States, to assist them in meeting the administrative costs of developing and initiating programs designed to overcome obstacles to local financing of school construction.

Many States, such as Minnesota, have in the past recognized the need for aid to distressed school districts which are unable to finance their school needs. Today, the problem is nationwide in scope, due to greatly increased enrollments and other factors. We must meet this problem if we are to maintain the standards of our public schools and meet the needs of our growing boys and girls. President Eisenhower's proposals are sound, and will command wide support.

#### AMENDMENT OF UNIVERSAL MILITARY TRAINING AND SERVICE ACT RELATIVE TO PROCESS OF SELECTION

Mr. FLANDERS. Mr. President, I introduce, for appropriate reference, a bill to amend the Universal Military Training and Service Act, as amended, relative to the process of selection, and for other purposes.

The purpose of the bill is to revive both the name and the process of selection under the Universal Military Training and Service Act, so that selection will be retained as a part of the purposes of that act.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 969) to amend the Universal Military Training Service Act, as amended, relative to the process of selection, and for other purposes, introduced by Mr. FLANDERS, was received, read twice by its title, and referred to the Committee on Armed Services.

#### RESIDENCE FOR CONGRESSIONAL PAGES

Mr. JOHNSTON of South Carolina. Mr. President, I introduce, for appropriate reference, a bill to provide a residence for pages of the Senate and of the House of Representatives, under the supervision of a Capitol Pages' Residence Board.

If enacted, this bill would create a Capitol Pages' Residence Board composed of 3 Senators and 3 Members of the House of Representatives who would be authorized to establish a home for the young men who serve here as pages. I feel sure that every Member of the Senate realizes the need for such a home and the need for adult supervision in this home. Under the present setup, the pages have living quarters scattered over the city. Not only are some of these

young men paying exorbitant rents, but they are in many cases exposed to the evils of a large city. We in the Congress have appointed these young men to leave their homes and travel to this city and live here many months of each year. We should feel a bit of responsibility toward them and their families back home. I feel that it is our duty and moral obligation to establish such a residence board which would in turn acquire a home near the Capitol in which the pages would live under adult supervision. My proposal would require that the pages pay rent as they now do; therefore, the home would be self sustaining. I am sure that the parents of the pages would thank the United States Congress for legislation of this kind.

It is my sincere hope that the Senate will consider favorably this proposed legislation.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 973) to provide a residence for pages of the Senate and of the House of Representatives, under the supervision of a Capitol Pages' Residence Board, introduced by Mr. JOHNSTON of South Carolina, was received, read twice by its title, and referred to the Committee on Rules and Administration.

#### PARITY PRICES FOR BASIC AGRICULTURAL COMMODITIES

Mr. THURMOND. Mr. President, I introduce, for appropriate reference, a bill to amend the Agricultural Act of 1949, as amended. The bill requires that prices of basic agricultural commodities be supported at 90 percent of parity on a permanent basis.

I introduce the bill because I am deeply interested in the welfare of our farmers, who form a vital part of our economy. If we are to remain economically strong, the farmers must have some assurance of a fair return from their labor; and they should have this assurance on a permanent, rather than a temporary year-to-year basis.

I wish to call attention briefly to figures cited in a recent issue of U. S. News & World Report. They show that farmowners have had the lowest buying power of 12 wage-earning groups in 1950 and 1954. The same is expected to be true again this year.

Figures released by the United States Department of Agriculture demonstrate another point I wish to make, namely, as compared with the official 1910-14 base, from which the parity formula is derived, prices received by farmers now stand at only 239 percent, while they are forced to pay 279 percent for production costs.

In addition, while the overall farm parity ratio on December 15, 1953, was 91 percent, by December 15, 1954, it had dropped to 86 percent.

Mr. President, I believe it is time that we give to the farmers of the Nation economic justice, not only for the sake of our hard-working farm population, but also as a stabilizing influence for

our national economy in these uncertain times.

The PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 978) to amend the Agricultural Act of 1949, as amended, so as to require that prices of basic agricultural commodities be supported at 90 percent of parity, introduced by Mr. THURMOND, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

#### PUNISHMENT FOR CERTAIN CONFIDENCE GAME SWINDLES

Mr. WILEY. Mr. President, I have received from the Department of Justice a draft bill to provide punishment for utilization of interstate commerce in the perpetration of confidence game swindles.

I believe that this proposed legislation is necessary in the public interest, in view of the increasing amount of such swindles perpetrated on the innocent public.

This bill has previously passed the Senate, and I hope that in this Congress it will not only be quickly approved by the Senate, but will be promptly enacted by the House of Representatives as well.

I send to the desk a letter from Attorney General Brownell asking enactment of this bill. I ask unanimous consent that the letter be printed in the RECORD, and thereafter be appropriately referred.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 997) to provide punishment for certain confidence game swindles, introduced by Mr. Wiley, was received, read twice by its title, and referred to the Committee on the Judiciary.

JANUARY 31, 1955.

The VICE PRESIDENT,  
United States Senate,  
Washington, D. C.

DEAR MR. VICE PRESIDENT: The Department of Justice recommends enactment of legislation to provide punishment for the utilization of interstate commerce in the perpetration of confidence game swindles and a draft of a bill to carry out such recommendation is attached for your consideration and appropriate action.

Existing law provides punishment, in section 2314, title 18, United States Code, for the transportation in interstate commerce of goods, wares, merchandising, securities or money, of the value of \$5,000 or more, knowing the same to have been stolen, converted, or taken by fraud. This section also includes other paragraphs providing punishment for transportation in interstate commerce of certain articles used in counterfeiting. The statute, however, fails to afford means to prosecute for interstate transportation of persons in the perpetration of confidence games.

One of the more extensive activities of the confidence man is often directed toward retired businessmen and their families or individuals of some prominence in the community who are reluctant to report their gullibility. This reluctance on the part of the victim, together with the element of the scheme set up by the confidence man to lead the victim to believe that his money will be returned, causes a delay in the reporting



of the violation to the authorities. This delay permits the confidence man to move to another section of the country, dispose of the money or property taken from the victim, and thus destroy the necessary evidence to establish certain elements of the crime.

In many of the major confidence swindles perpetrated by professional confidence men the victims are located when they are away from home. After inducing the victim to participate in some false stock market or race track transaction, the confidence man induces the victim to return to his home, obtain the necessary money and return to the scene of the swindle where the money is turned over to the operator. After the money has been turned over to the confidence man, the victim is instructed to go to another city where he is to receive the return on his "investment." Such moving of the victim is a part of the scheme and gives the confidence man time in which to dispose of the money or property taken in the swindle and to flee to a distant "cool-off" spot.

Section 2314 of title 18 may be appropriately amended by the insertion of a new paragraph to supply the needed means to punish the perpetrators of this type of swindle.

This legislation in the identical form here suggested was introduced in both the Senate and House of Representatives in the 83d Congress as S. 3441 and H. R. 8914. S. 3441 was passed by the Senate on August 11, 1954, and referred to the House Committee on the Judiciary on August 16, 1954.

The Bureau of the Budget has advised that there is no objection to the submission of this legislation.

Sincerely,

Attorney General.

#### POLICY CONCERNING THE TERMINATION, LIMITATION, OR ESTABLISHMENT OF CERTAIN OPERATIONS OF THE GOVERNMENT

Mr. McCLELLAN. Mr. President, I introduce for appropriate reference a bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes. I ask unanimous consent that a statement prepared by me relating to the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1003) to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes, introduced by Mr. McCLELLAN, was received, read twice by its title, and referred to the Committee on Government Operations.

The statement presented by Mr. McCLELLAN is as follows:

##### STATEMENT BY SENATOR McCLELLAN

I introduce, for appropriate reference, a bill which proposes the declaration of a national policy against the Government's encroachment into fields of commerce, industry, and finance in competition with its own taxpaying citizens.

It has been a matter of common knowledge for many years that Government has

engaged in, and should continue to do so, certain activities that are broadly classified as business—for example—the operation of the post office; the manufacture of various essential items by the navy yards, ordnance, and quartermaster branches of the armed services; the production of electric power at TVA.

It becomes a matter of serious congressional concern, however, when studies by the Committee on Government Operations and other committees of the Congress develop the fact that more than 100 commercial activities are being carried on by various Federal departments and agencies. After the approval of the Federal Property and Administrative Services Act of 1949, the Senate Committee on Government Operations devoted much time and study to the development of programs designed to eliminate Government competition with private industry. Various other committees of the House and the Senate have conducted similar studies, and have advanced proposals with the objective of taking the Government out of business and encouraging private enterprise to provide necessary services to the Government.

One of the most important steps taken by the committee toward attaining this objective was the approval of legislation creating the Commission on Organization of the Executive Branch of the Government. The Commission was directed to make studies and submit recommendations to the Congress with the objective of "eliminating non-essential services, functions, and activities which are competitive with private enterprise." The Commission's task forces recently reported, unofficially, that there are many Government businesses that are questionable as to necessity and value. The Commission will shortly present its recommendations, including certain legislative proposals to do away with Government's improper competition in business.

In the meantime, it is timely that the Congress go on record in favor of a definite policy of noncompetition with private industry in the production of goods and the securing of necessary services by the Government where such action is not inconsistent with the national interest and security, as proposed by the subject bill.

The time has come, that the Congress should give assurance to taxpaying businesses that once the present situation has been corrected it will not be permitted to grow up again. With this objective in mind, the bill I am introducing today includes, in addition to section 2, which sets forth a broad statement of national policy, two other exceedingly important sections.

One of these—and I believe it to be of the utmost importance in whatever legislation the Congress may adopt—seeks to establish what might be called a court of complaint to which businessmen, especially small businessmen, may seek relief through the presentation of their grievances whenever they feel that they are being unduly and unnecessarily discriminated against by competitive Government business. The responsibility for administering this provision would be vested in the Department of Commerce, because it is more deeply concerned with business than any other agency of Government. No such court of complaint now exists. I believe that it is most desirable that it be established.

The other special feature of the proposed legislation is the declaration that any new competitive business-type operation which any department or agency plans to initiate must be reviewed by the Director of the Bureau of the Budget before the expenditure of any appropriation therefor is permitted. This objective is based on the premise that too many of the existing commercial and industrial activities of Government have been quietly put into operation before even the head of the department or agency knew

about them—and once started they are exceedingly difficult to stop. Under my proposal many of them would never get started.

Approval of the bill I am introducing today would indicate the support of the legislative branch of the program initiated by the Executive Office of the President on January 15, 1955 (Bulletin No. 55-4), which expanded the review of commercial and industrial activities under the direction of the Director of the Bureau of the Budget, to determine the number and character of commercial and industrial-type activities now being conducted by the Government. This directive also requires that agencies engaged in such activities shall consider the pertinent legal authorization for the activities which are in competition with private enterprise and seek congressional approval when necessary to permit continuation of such activities.

#### UTILIZATION OF SURPLUS PROPERTY FOR EDUCATIONAL AND PUBLIC HEALTH PURPOSES

Mr. McCLELLAN. Mr. President, on behalf of myself, the Senator from Ohio [Mr. BENDER], the Senator from Kansas [Mr. CARLSON], the Senator from South Dakota [Mr. CASE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Kentucky [Mr. CLEMENTS], the Senator from Texas [Mr. DANIEL], the Senator from Illinois [Mr. DOUGLAS], the Senator from North Carolina [Mr. ERVIN], the Senator from Georgia [Mr. GEORGE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. JACKSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MANSFIELD], the Senator from South Dakota [Mr. MUNDT], the junior Senator from Wisconsin [Mr. McCARTHY], the Senator from West Virginia [Mr. NEELY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], the Senator from South Carolina [Mr. THURMOND], and the senior Senator from Wisconsin [Mr. WILEY], I introduce, for appropriate reference, a bill to amend the Federal Property and Administrative Services Act of 1949 so as to improve the administration of the program for the utilization of surplus property for educational and public-health purposes. I ask unanimous consent that a statement prepared by me pertaining to the bill be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 1004) to amend the Federal Property and Administrative Services Act of 1949, so as to improve the administration of the program for the utilization of surplus property for educational and public-health purposes, introduced by Mr. McCLELLAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Government Operations.

The statement presented by Mr. McCLELLAN is as follows:

##### STATEMENT BY SENATOR McCLELLAN

On behalf of myself and 21 other Senators, I am introducing for appropriate reference, a bill which would amend section

203 of the Federal Property and Administrative Services Act of 1949, to provide that no surplus Federal property, including property capitalized in a working-capital fund, shall be sold until it has been determined whether or not such property is usable and necessary for educational or public-health purposes, including research.

The Federal Property and Administrative Services Act of 1949 included an amendment which I sponsored, authorizing the donation of surplus real and personal property to State departments of education and health, and to research institutions. Under this authority, surplus Federal property which was urgently needed by these institutions has been made available to them without cost.

On February 1, 1954, however, the Department of Defense issued a directive which provided that, when working-capital funds are established and property is taken up in such accounts, surplus property would no longer be donated for these public purposes, but could be sold to replenish the working-capital account. Since this directive became effective, the amount of surplus property generated by the Defense Establishment which is usable for education or public-health purposes has decreased substantially. The purpose of this bill is to re-establish the authority which existed prior to the date of this directive, in order that educational and health institutions may continue to obtain surplus Federal property which is essential to their needs, in the same manner as they did prior to February 1, 1954.

Since 1949, the State surplus property offices have performed a considerable amount of paperwork entailed in screening and channeling surplus property into the State agencies on a mutual-agreement basis. The utilization of local personnel and offices for screening and allocating surplus property has enabled the State and local agencies to acquire the property more expeditiously, and has permitted the Federal Government to save on manpower and appropriations. In order to give legal authority to these mutual arrangements, the bill contains a provision for the establishment of cooperative agreements between the Federal Government and State departments of education or health which are responsible for carrying out the surplus property utilization program.

This bill further provides for clarifying the authority for placing restrictions and limitations on the allocation and use of surplus property allocated to State agencies. Under existing law, the Federal Government has placed certain restrictions on the transfer of both real and personal property. There is some doubt as to whether the Congress intended that these limitations should be imposed, at least to the extent they have been applied, with reference to the utilization of personal property. Under the bill which I have introduced, this provision would be clarified in order that the required restrictions and limitations will apply only to real property, and that all of the restrictions heretofore placed on the utilization of personal property under the donation program would cease to exist 1 year after the effective date of this act.

The passage of this bill will not only improve the surplus property utilization program, but should effect considerable economy and efficiency in its administration.

An identical bill, H. R. 3322, was introduced in the House of Representatives on January 31, 1955, by Representative JOHN W. McCORMACK, of Massachusetts.

#### REDUCTION OF VOTING AGE TO 18

Mr. LANGER. Mr. President, President Eisenhower, at various times, has recommended that 18-year-old citizens be allowed to vote. I introduce, for ap-

propriate reference, a joint resolution proposing an amendment to the Constitution of the United States to grant to citizens of the United States who have attained the age of 18 the right to vote.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 40) proposing an amendment to the Constitution of the United States to grant to citizens of the United States who have attained the age of 18 the right to vote, introduced by Mr. LANGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

#### NATIONAL FOOD AND FIBER POLICY

Mr. HUMPHREY. Mr. President, on behalf of myself, the junior Senator from Oregon [Mr. NEUBERGER], the Senator from New York [Mr. LEHMAN], the Senator from North Carolina [Mr. SCOTT], the Senator from North Dakota [Mr. LANGER], the Senator from Michigan [Mr. McNAMARA], the senior Senator from Oregon [Mr. MORSE], the senior Senator from Montana [Mr. MURRAY], the junior Senator from Montana [Mr. MANSFIELD], and the Senator from West Virginia [Mr. NEELY], I introduce, for appropriate reference, a joint resolution to establish a national policy for the production and utilization of food and fiber, so as to make full economic use of the productive capacity of United States farms to improve domestic nutrition and clothing standards and buttress the foreign policy of the United States.

The purpose of this joint resolution is to set some policy guideposts for wise use of America's abundance.

Many of us who have actively supported effective farm programs for stability in agriculture and decent standards of farm living have long been equally concerned with the wise use of the abundance America's farmers are capable of producing. A few weeks ago I introduced with a group of colleagues Senate Joint Resolution 20, the family farmers bill of rights resolution, setting forth policy objectives for agricultural legislation itself. I regard this as a necessary companion joint resolution, aimed at the broad interest of farmers and consumers alike in seeing that good use is made of our abundance.

The great productive ability of American farmers and farm families should be put fully to work in the interest of national security and the maintenance of the health, efficiency, and morale of the American people. That is our purpose in asking for a national policy for the production and utilization of food and fiber so as to make full economic use of the productive capacity of United States farms to improve domestic nutrition and clothing standards, and buttress the foreign policy of the United States. It can well serve as a yardstick by which to measure future legislation aimed at achieving objectives laid down in the policy resolution.

The new joint resolution declares it to be the policy of the Congress that:

First. The means of obtaining sufficient food for an adequate diet and clothing for an adequate standard will

be placed, so far as possible, within the reach of every person in the Nation;

Second. The food and fiber products on American farms and not needed for fully adequate domestic consumption will be put to work to implement United States foreign policy through facilitating—

(a) The inauguration of universal public general and vocational education systems in friendly nations not now having them;

(b) More rapid economic development that will expand markets and increase consumer purchasing power in friendly nations;

(c) The elimination of the threat of starvation and famine; and

(d) increases in the security and income earning capacities of farm families in friendly nations.

Third. Adequate safety reserves of farm commodities and of food and fiber products will be developed and maintained;

Fourth. Extreme price fluctuations in the international market for farm products will be prevented and production will be kept expanding; and

Fifth. American farm families will be assured of adequate income to maintain a standard of living equivalent to those afforded persons dependent upon other gainful occupations, while maintaining full production on the family farms of the Nation, conserving and improving the Nation's farm soil and water resources, and meeting all costs of production and capital replacement.

The joint resolution calls upon the President to incorporate in the economic report required by the Employment Act of 1946 an appraisal of whether or not existing legislation is serving these objectives adequately, and a program for carrying out the policy together with such recommendations for legislation as he may deem necessary or advisable in connection with the program.

I ask unanimous consent that the joint resolution be printed at this point in the body of the RECORD.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S. J. Res. 41) to establish a national policy for the production and utilization of food and fiber, so as to make full economic use of the productive capacity of United States farms to improve domestic nutrition and clothing standards and buttress the foreign policy of the United States, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

*Resolved, etc., That this joint resolution may be cited as the "National Food and Fiber Policy Joint Resolution."*

#### FINDINGS

Sec. 2. The Congress finds that—

(a) Food and clothing supplies per person in many families in the United States and in many areas of the world are far below the minimum required for healthful and productive living.



(b) The basic adequate food allotment for the average individual, with appropriate adjustments for eating habits and climate, consists of the following amounts of food per week or the equivalent thereof in other foods as determined by scientific nutrition and dietetic research:

(1) milk, and its equivalent in cheese, evaporated milk, or dry milk, 5¼ quarts,

(2) potatoes and sweetpotatoes, 3 pounds, 7 ounces,

(3) dry beans, peas, and nuts, 8 ounces,

(4) tomatoes and citrus fruits, 1 pound, 10 ounces,

(5) green or yellow vegetables, such as green cabbage, kale, snap beans, and carrots, 1 pound, 9 ounces,

(6) other vegetables and fruits, 2 pounds, 6 ounces,

(7) eggs, 4,

(8) meat, poultry, and fish, 1 pound, 12 ounces,

(9) flour and cereals, 4 pounds, 4 ounces (enriched or whole grain),

(10) fats and oils, 14 ounces, and

(11) sugars, sirups, and preserves, 11 ounces.

(c) Failure of food supplies to attain this basic adequate allotment, and of fiber supplies to attain equivalent standards for clothing, undermines the maintenance of health, efficiency, and morale of the American people and the people of friendly nations.

(d) Supplies of food and fiber available from time to time should be efficiently distributed among the various sections of this Nation and friendly nations among persons in all income groups.

(e) The assurance of adequate food and clothing supplies would be an important step toward strengthening democracy throughout the world and creating the economic foundations and atmosphere of hope and confidence necessary for world peace.

(f) The development of more adequate reserves of farm products would provide essential safeguards against shortages resulting from natural causes such as drought, flood, and pestilence; from breakdowns in distribution; and from inflation, insurrection, and war.

(g) It is essential to the national security and the general welfare that production and consumption of farm products be maintained at a high level in the United States as a means of maintaining a healthy population and a strong, productive economy, and to buttress the Nation's foreign policy.

(h) In many friendly nations more rapid economic development is blocked by lack of universal general and technical education and facilities resulting from the inability of parents of farm children to release them from day-to-day labor in food and fiber production; United States farm products could be used to break the poverty cycle in these nations by supplying food and clothing for children and adults attending and teaching schools.

(i) Both the foreign and domestic markets for American farm products have historically been characterized by fluctuations and recurrent depressions.

(j) The maintenance of a healthy and prosperous agriculture on the family-farm pattern is essential to the preservation and improvement of democracy in America.

(k) The prices and income received by American farm families have been declining and threaten to decline still further; each such decline bring with it the threat of reduced farm purchasing power and purchases, reduced demand for industrial products used on the farm and by farm families, and a resulting enforced reduction of industrial employment.

(l) American farms and farm families are fully capable of producing efficiently a greater abundance of food and fiber products, while at the same time conserving and improving the Nation's farm soil and water resources.

(m) This great productive ability of American farmers and farm families should be put fully to work in the interest of national security and the maintenance of the health, efficiency, and morale of the American people.

#### DECLARATION OF POLICY

SEC. 3. It is the policy of Congress that the United States should take appropriate action to insure that—

(a) the means of obtaining sufficient food for an adequate diet and sufficient clothing for an adequate standard of clothing will be placed, so far as possible, within the reach of every person in the Nation;

(b) the food and fiber products produced on American farms and not needed for fully adequate domestic consumption will be put to work to implement United States foreign policy through facilitating (1) the inauguration of universal public general and vocational education systems in friendly nations not now having them, (2) more rapid economic development that will expand markets and increase consumer purchasing power in friendly nations, (3) the elimination of the threat of starvation and famine, and (4) increases in the security and income-earning capacities of farm families in friendly nations;

(c) adequate safety reserves of farm commodities and of food and fiber products will be developed and maintained;

(d) extreme price fluctuations in the international market for farm products will be prevented and production will be kept expanding; and

(e) American farm families will be assured of adequate income to maintain a standard of living equivalent to those afforded persons dependent upon other gainful occupations, while maintaining full production on the family farms of the Nation, conserving and improving the Nation's farm soil and water resources, and meeting all costs of reproduction and capital replacement.

#### PROGRAM TO BE INCLUDED IN ECONOMIC REPORT

SEC. 4. The President shall incorporate in the economic report required by the Employment Act of 1946 a program for carrying out the policy declared in section 3 of this joint resolution, together with such recommendations for legislation as he may deem necessary or advisable in connection with the program.

#### ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BEALL:

Address delivered by Senator KNOWLAND before the Montgomery County, Md., Republican organization on February 2, 1955.

By Mr. WILEY:

Address entitled "Some Lessons of Our International Experience," delivered by him on February 3, 1955, before the Dayton, Ohio, Council of World Affairs, at Dayton, Ohio.

By Mr. KEFAUVER:

Address entitled "Progress in Reverse," prepared by him for delivery before the anti-trust law section of the New York State Bar Association, New York, January 26, 1955.

#### NOTICE OF HEARING ON NOMINATION OF TREVOR GARDNER TO BE ASSISTANT SECRETARY OF THE AIR FORCE

Mr. RUSSELL. Mr. President, the RECORD will show that the nomination of Mr. Trevor Gardner to be Assistant Sec-

retary of the Air Force was referred to the Committee on Armed Services on February 4, 1955.

The committee rules require that nominations lie over a specified period of time before they may be considered. The purpose of this delay is to make it possible for the Members of the Senate, as well as the general public, to be apprised of the fact that consideration of the nomination will be forthcoming.

I have risen at this time, Mr. President, to state that the Committee on Armed Services will hold a public hearing on this nomination on Thursday, February 17 at 10:30 a. m. in room 212, Senate Office Building.

#### NOTICE OF HEARING ON NOMINATION OF JOHN MARSHALL HARLAN TO BE ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES

Mr. KILGORE. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

John Marshall Harlan, of New York, to be Associate Justice of the Supreme Court of the United States, vice Robert H. Jackson, deceased.

On behalf of the Committee on the Judiciary, I desire to give notice that a hearing has been scheduled for Wednesday, February 23, 1955, at 10 a. m., in room 424, Senate Office Building, on the above nomination. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent. It is requested that such persons notify the committee on or before February 19, 1955, whether they will be present.

#### NOTICE OF HEARING ON NOMINATION OF JULIUS C. HOLMES TO BE AMBASSADOR TO IRAN

Mr. GEORGE. Mr. President, the Senate received today the nomination of Julius C. Holmes, of Kansas, a Foreign Service officer of the class of career minister, to be Ambassador of the United States to Iran, vice Loy W. Henderson. I give notice that this nomination will be considered by the Committee on Foreign Relations at the expiration of 6 days, in accordance with the committee rule.

#### TENTH ANNIVERSARY OF THE YALTA AGREEMENT

Mr. IVES. Mr. President, for the occasion of the tenth anniversary of the Yalta Agreement, I have prepared a statement which I ask to have printed in the body of the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR IVES

A decade has now passed since the signing of the infamous Yalta Agreement, a decade which has been a tragic reminder of betrayal of national honor. The sacrifice of long-standing friends, which was agreed to by our representatives at the Yalta Conference, remains a dark chapter in the history of American foreign policy.

The American people have never sanctioned this agreement nor has it ever been approved by either House of the Congress. In the face of repeated violations by the Soviets, who have used this agreement as another device to further their imperialistic designs, it is a sham and a delusion to perpetuate the hoax of its validity.

To the brave people of Poland, who have borne the suffering and the persecution resulting from this sellout, I join in reaffirming our traditional friendship and in voicing our sincere hope for speedy liberation. Let us never waver in our firm obligation to correct the injustice committed on that infamous day 10 years ago.

On this anniversary let us renew a firm determination to right the horrible injustice perpetrated in the name of our Government.

#### EFFECT OF YALTA AGREEMENT ON POLAND—LETTER FROM POLISH-AMERICAN CONGRESS, INC.

Mr. BUSH. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me from the Polish-American Congress, Inc., dated January 25, 1955. The letter calls attention to the fact that February 7, 1955, which was yesterday, when the Senate was not in session, marked the 10th anniversary of the famous wartime meeting of the Big Three at Yalta which resulted unhappily, among other things, in shutting Poland off behind the Iron Curtain, and the enslavement of the wonderful people of Poland.

We in Connecticut have a special feeling in regard to that situation, because a very high percentage of the people who live in our State came there from Poland. There are in Connecticut first, second, and third generation Poles by the thousands. I could not let this anniversary pass without paying tribute to those people and their relatives, those oppressed people who unhappily were placed behind the Iron Curtain largely as the result of the agreements reached at Yalta.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

POLISH-AMERICAN CONGRESS, INC.,  
Washington, D. C. January 25, 1955.  
The Honorable PRESCOTT S. BUSH,  
The United States Senate,  
Washington, D. C.

DEAR SENATOR BUSH: We are taking the liberty of bringing to your attention that February 7, 1955, will mark the 10th anniversary of that famous wartime meeting of the "Big Three" which marked the beginning of a series of retreats of the free world before the forward march of Soviet aggression.

We refer, of course, to the meeting of Joseph V. Stalin, Franklin D. Roosevelt, and Winston S. Churchill at Yalta, in 1945.

Under an agreement reached there—or, rather extracted by Stalin under the threat not to join in the war with Japan—the Soviet sphere of influence has been carved out in Eastern Europe. The enslavement of several European nations, Poland included, has been sanctioned by the two western leaders, caving in under Stalin's blackmail.

At Yalta, too—the way was paved for the Sovietization of China.

The Yalta compact remains an executive agreement, never ratified by the United States Senate and therefore not binding. Repeated Soviet violations of the Yalta agreement deprive that document, secretly drafted, of its last vestige of questionable validity.

Millions of Americans believe that the Yalta agreement should be denounced and declared not valid. All unilateral actions undertaken by Stalin under the cloak of that most unfortunate result of personal diplomacy, should be declared illegal.

Only a complete and unhesitating renunciation of the Yalta agreement by the Congress and the executive branch of our Government could restore American prestige in Europe and Asia.

Referring to your splendid record in the fight for American security and our moral leadership of the free world, we beg to submit to your attention the necessity of raising your voice on the floor of the Senate on Monday, February 7, in defense of the Polish nation—the prime victim of the Yalta deal—and the other nations, victimized by Soviet imperialism.

You may rest assured that the expression of your views on that occasion will find most appreciative response in the minds and hearts of those who deeply believe that as long as Yalta remains unrepudiated and unrenounced, the enslaved nations of the world—our most faithful allies—will be unable to trust our word.

Respectfully yours,

CHARLES BURKE,  
Washington Representative,  
Polish-American Congress, Inc.

#### TARIFF REVISION—THE PAYCHECK PERIL POINT

Mr. BUSH. Mr. President, on Monday, January 24, 1955, I referred in a brief address on the Senate floor to a letter addressed by me to Mr. Samuel C. Waugh, Assistant Secretary of State for Economic Affairs, in which I urged that constant thought be given to the paycheck peril point during the forthcoming tariff negotiations at Geneva, Switzerland.

I have now received his reply, and I am pleased to observe that Mr. Waugh shares my concern over this problem, and my belief that improvement of the paycheck reflected in higher real wages and improved living standards is one of the basic objectives of the President's foreign trade program.

Enclosed with my letter to Mr. Waugh was an exhibit showing comparative wage rates in the rubber footwear industry in Hong Kong and in Connecticut's Naugatuck Valley. An example of the wage differentials in this exhibit is the rate paid to male packers—8 cents an hour in Hong Kong; \$2.05 in Naugatuck.

In addition to the rubber footwear industry, other Connecticut industries may be vulnerable to unfair competition based on such a startling disparity in the wages paid here and abroad. Among them are the hat industry in Danbury and Norwalk, the bicycle industry in Torrington, the manufacture of vacuum bottles in Norwich and New Britain, our clock and watch and textile industries, and the flashlight industry in Bridgeport and New Haven.

Mr. Waugh quite properly points out that a wage advantage may be offset by other factors. As I said in my statement on January 24, in some cases the lower wage rates paid abroad may be offset by the greater skill and productivity of American workers, and by the superiority of our production methods. I repeat, however, that it is impossible to believe that such factors can close a gap so

great as that between the starvation levels prevailing in Hong Kong and the wage standards which our Connecticut workers earn and deserve.

I am pleased by Mr. Waugh's statement that my letter and the wage differentials exhibit will be brought to the attention of the agencies participating in the deliberations of the Interdepartmental Trade Agreements Committee. If the paycheck peril point is kept constantly in mind by these agencies, it will serve as a danger signal against indiscriminate and injudicious reductions in tariffs.

Mr. Waugh also points out that Connecticut has a very considerable stake in expansion of exports, referring to a study made a few years ago by the Connecticut Development Commission, in which 552 Connecticut manufacturers reported that they exported goods valued at \$144,526,000 in 1947 and at \$139,899,000 in 1948.

These figures, reflecting only direct exports and not including products manufactured in Connecticut which go into the production of export goods, tend to support the estimate of the Federal Reserve Bank of Boston that approximately 10 percent or more of our employment in Connecticut is dependent on exports.

Mr. Waugh's letter confirms my conviction that the administration intends to proceed carefully in carrying out the President's foreign trade program. By faithfully observing the principles of gradualness, selectivity, and reciprocity insisted upon by Mr. Eisenhower, we can achieve a result beneficial to Connecticut's economy as well as the economies of other highly industrialized areas of the Nation.

Mr. President, I ask unanimous consent that Mr. Waugh's letter be printed in the RECORD at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,  
Washington, February 4, 1955.

DEAR SENATOR: I have examined with interest the exhibit attached to your letter of January 21 showing comparative wage rates in the rubber footwear industry in Hong Kong and in the Naugatuck Valley of Connecticut. The disparity in wage rates between rubber footwear workers in Hong Kong and in Connecticut seems startling when so dramatically presented. Yet a wage advantage of itself does not necessarily determine the competitive position of the foreign producer in view of the greater productivity of United States workers, the greater mechanization of United States industry, the more advanced technical know-how and managerial skills and other important advantages which American workers and American manufacturers have in their favor.

I certainly agree that we must be concerned with what you refer to as the paycheck peril point. In fact—quite aside from the additional urgency which our national security gives to the President's foreign trade program—the improvement of the paycheck reflected in higher real wages and improved living standards is one of the basic objectives of that program.

I am having copies of your letter and of the data contained in the United States Rubber Co.'s booklet distributed to the various agencies participating in the Interdepartmental Trade Agreements Committee.



The committee, before making a recommendation as to a possible tariff concession on any product, takes into careful consideration all available information and views applicable to that product. As you know, one of its constant guides is the avoidance of recommendations for tariff concessions which would cause or threaten serious injury to any domestic industry. The committee also has been directed by the President to make sure that none of the products on which concessions are recommended are made by workers receiving wages which are substandard in the exporting country which is the principal supplier. In fact the trade-agreements legislation itself and the procedures established under it contain safeguards against hardship which all of us realize would be a regrettable disservice to the Naugatuck Valley and to the country as a whole.

It would be equally regrettable, on the other hand, to ignore the interest of the Nation as a whole or of its component areas in the expansion of world trade on a mutually profitable basis. For example, the position of the State of Connecticut as an exporter of a wide variety of products is clearly an important factor in its continuing prosperity. According to a survey made a few years ago by the Connecticut Development Commission, 552 Connecticut manufacturers reported that they exported goods valued at \$144,526,000 in 1947 and at \$139,899,000 in 1948. These figures represent only the direct exports of Connecticut products in those years and do not include products manufactured in Connecticut which go into the production of export goods. The Commission pointed out as an example the use of ball bearings made in Connecticut in motor vehicles exported from the United States. Those same motor vehicles may well be equipped with tires made in Connecticut plants or in United States Rubber Co. plants in other States paying the high wages which are characteristic of American industry.

Sincerely yours,

SAMUEL C. WAUGH,  
Assistant Secretary.

#### THE ETHICS OF THE FOURTH ESTATE

Mr. ERVIN. Mr. President—  
The PRESIDING OFFICER (Mr. McNAMARA in the chair). The Senator from North Carolina.

Mr. ERVIN. Mr. President, on January 22, 1955, the North Carolina Press Association unanimously adopted a truly magnificent statement of the ethical principles which ought to guide those who gather, publish, and comment upon the news. The statement was prepared by a committee the chairman of which was one of North Carolina's ablest newspapermen of all time, Mr. D. Hiden Ramsey, of Asheville, who was assisted by the following outstanding associates: Mr. Frank A. Daniels, of the News and Observer, Raleigh; Mr. Al G. Dickson, of the Wilmington Star-News, Wilmington; Mr. Rupert Gillett, of the Charlotte Observer, Charlotte; Mr. Weiman Jones, of the Franklin Press, Franklin; Mr. Thomas J. Lassiter of the Smithfield Herald, Smithfield; Mr. C. A. (Pete) McKnight, of the Charlotte News, Charlotte; Mr. Lynn Nisbet, of the Associated Afternoon Dailies, Raleigh; Mr. Roy Parker, Sr., of the Hertford County Herald, Ahoskie; Mr. E. A. Resch, of the Chatham News, Siler City; Mr. Thomas J. Shaw, of the Thomasville Tribune, Thomasville; Mr. David J. Wichard, of the Greenville Reflector, Greenville; Mr. William J. Woestendiek, of the Journal and Sentinel, Winston-Salem; Mr. Clar-

ence Whitefield, of the Durham Herald-Sun, Durham; and Mr. Miles H. Wolff, of the Greensboro Daily News, Greensboro.

Since this statement of ethical principles is worthy of full commendation and acceptance, I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

#### A STATEMENT OF PRINCIPLE

The newspapers of North Carolina, conscious of their obligations, and mindful of their own human imperfections, rededicate themselves to these principles which guide a responsible press in a free society.

#### I

Freedom of the press exists in a democracy, not for the power or profit or pleasure of any individual, but for the common good. The right of the people to know cannot be denied or diminished without endangering democracy itself. It is the obligation of the press to provide accurate, timely, and complete information about all developments which affect the people's political, economic, or social well-being. Given the facts, the people usually will reach wise decisions.

#### II

The trusteeship of a free press is the final responsibility of the publisher. He may share it, but he cannot escape it. The good publisher provides the necessary money and space for adequate coverage of the essential news and employs personnel of integrity, ability, and sound judgment. He exalts accuracy above every other consideration, and insists upon prompt, full, and even generous correction when errors occur.

#### III

Every citizen deserves the stimulus of a strong editorial page, on which the editor voices his own well-informed opinion, clearly and forcefully; yet willingly provides space for contrary opinion. The good editor often takes sides, but without arrogance or intolerance. He champions boldly the rights of the people, sometimes against government itself. He provides leadership, particularly in his own community. He has a special responsibility to defend the weak, to prod the public conscience, and to speak out against the injustices of which a majority can sometimes be guilty.

#### IV

The primary function of a newspaper is to report the news. The good reporter strives constantly to find and write the truth. This task, no matter how difficult, is his unescapable responsibility.

To be true, a story, together with its headlines, must be honest. To be honest, it must be fair. To be fair, it must be accurate and complete.

Honesty demands objectivity, the submergence of prejudice and personal conviction. Fairness demands regard for the rights of others. Accuracy demands courage, painstaking care, and perspective to assure a total picture as true as its individual facts.

#### V

The final test of every story, every headline, every editorial, every newspaper is:

Is it honest?  
Is it fair?  
Is it accurate?

To the end that they can more frequently answer these questions in the affirmative, the newspapers of North Carolina adopt this statement of principle.

#### NORTHWEST AIRLINES

Mr. WILEY. Mr. President, I send to the desk a brief statement with regard

to the letter sent by President Eisenhower yesterday to the Chairman of the Civil Aeronautics Board with regard to Northwest Airlines service to Hawaii.

I ask unanimous consent that the statement be printed at this point in the body of the CONGRESSIONAL RECORD, to be followed by the text of the President's letter and the text of a telegram from the Milwaukee Association of Commerce regarding the still pending issue of the vital direct inner great circle route to Alaska.

There being no objection, the statement, letter, and telegram were ordered to be printed in the RECORD, as follows:

#### PRESIDENT'S LETTER ON HAWAII SERVICE WELCOME

The State of Wisconsin is gratified at the decision of President Eisenhower represented in his letter of February 7 to the Honorable Chan Gurney, Acting Chairman of the Civil Aeronautics Board.

The President's letter, which is admittedly of a compromise nature, certifies both Northwest Airlines and Pan-American World Airways to continue to operate the Seattle-Portland-Hawaii route for a temporary period of 3 years.

I want to say in all frankness that if Northwest had been denied the opportunity to continue the route to Hawaii, which it pioneered, the entire area of our Nation which this great airline has served so long and so well would have been deeply disturbed.

For some months, I have taken up this problem and the matter—already decided—of Northwest service to Tokyo, with the Civil Aeronautics Board.

Immediately upon learning of the order which would have canceled Northwest's right to Hawaii, I conveyed my respectful communication of protest to the White House.

In all fairness to our great Chief Executive, let it be stated that this is but one of a thousand problems which he faces and which his staff faces. With all the heavy problems pressing down upon them—at home and abroad—it is understandable why now and then some decision may be reached which may not be, in the judgment of many folks, all that it should be.

In this instance, I respectfully disagreed with the President and so stated to his staff.

While the letter of February 7 does not represent a perfect and permanent solution to the present problem, at least it goes a long way toward relieving the concern in the minds of many people.

We of Wisconsin—particularly in Milwaukee and Madison—have a vital stake in the continuation of Northwest Airlines' great service. Innumerable business enterprises throughout my State depend crucially upon this great transportation artery. Its severance would have been a heavy blow to us and to our neighbor States as well.

Now I intend to continue to keep in close touch with the President and the Civil Aeronautics Board on this situation and in particular on the decision on Northwest's vital service to Anchorage via Edmonton, Alberta. This later route is an indispensable commercial artery for my State and many others. A favorable decision is therefore essential. Wisconsin respectfully urges a "green light" for this Northwest Airlines route.

LETTER OF PRESIDENT EISENHOWER TO CHAN GURNEY, CHAIRMAN OF CAB, RELEASED FEBRUARY 7, 1955, AT WHITE HOUSE

DEAR MR. GURNEY: I desire to amend my letter of February 1, with reference to the west coast Hawaii case.

As you know, I believe in the strength of competitive enterprise if based on sound economic considerations, but it must not be wasteful duplication at the expense of the

Federal Government. Both carriers operating on this Seattle-Portland-Hawaii route have built up substantial business. Moreover, since my original action in this case, I have received from you information to the effect that within 2 years all airlines subsidies in the Pacific area will probably have been eliminated or will at least approach that point. Renewing the certificates of both carriers for a limited period would afford them an equal opportunity to demonstrate their capacity to develop adequate traffic to operate without subsidies or to prove definitely that the route cannot economically support two carriers.

Accordingly, I request the Board present for my approval a revised order in this case which would certify both Northwest Airlines and Pan-American World Airways for operation between Seattle-Portland and Hawaii for a temporary period of 3 years from now.

DWIGHT D. EISENHOWER.

MILWAUKEE, WIS., February 8, 1955.  
Senator ALEXANDER WILEY,  
Senate Office Building,  
Washington, D. C.:

Milwaukee business highly pleased with President's decision to reverse his previous order and to authorize CAB to issue a 3-year extension to Northwest Airlines for continuation of profitable route from the Pacific Northwest to Hawaii. We sincerely appreciate your effective action in this respect.

However, we are sorely disappointed that the President's latest action did not include reversal of his previous decision to eliminate the direct inner great circle route from Milwaukee to Alaska. We earnestly believe this route is basic to Wisconsin's future growth in domestic trade with Edmonton, Canada, and Anchorage, Alaska, as well as our foreign trade with the Orient. This is the most direct route of any American carrier to Japan, the Philippines, and to the cold war areas of the Far East, hence should be developed commercially in the interests of national defense.

We sincerely trust that you can prevail upon the President to retain this direct route from important industrial areas of the Midwest to the Orient.

WILLIAM A. MANN,  
President, Milwaukee Association of  
Commerce.

AUGUST K. PAESCHKE,  
Chairman, Air Service Division.

#### PROPOSED REFORMS IN THE ELECTORAL COLLEGE

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a statement which I have prepared on the subject of the need for a nationwide primary and reforms in the electoral college.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

##### STATEMENT BY SENATOR SMATHERS

We have recently heard a great deal about the need for reforms in the electoral college, which has the responsibility each 4 years of formalizing the election of the President and Vice President of the United States.

I am among those who believe that this archaic institution should be reformed, if not abolished altogether, if we are to maintain democratic realism in the conduct of our elections, and hence insure that the operation of government will continue responsive to the people.

However, Mr. President, I think that our need for reform goes far beyond any indicated changes in the process of the electoral college. I have been convinced for some time that if our free government by the people is to continue, and if the convictions

of the individual private citizen are to count, there must be improvement in the means by which the nominees of the various parties who contest any of these elections gain their places on the ticket.

One of the first legislative proposals which I submitted to Congress when I came to the House some 9 years ago called for a national system of primaries. I now have pending before the Senate such a proposal.

I do not claim to be the author of the idea for a system of a nationwide nominating primary. To my knowledge, it first was advocated 42 years ago in 1913 by President Woodrow Wilson in his first annual message to the Congress. Various Members of the Senate have urged the national primary idea since that time, and there are in the Senate a number of Senators who, like me, earnestly believe that the primary system of naming a Presidential candidate is a most desired extension of the democratic process.

Mr. President, there is a demand on the part of the people throughout the Nation for a voice in the naming of Presidential candidates. Even prior to the 1952 conventions, the report of a survey of public opinion by Dr. George Gallup indicated that 73 percent of the people favored doing away with the convention system of nominating candidates for President and Vice President and placing in its stead the nationwide nominating primary.

Since the staging of the 1952 conventions, which was taken into the American homes for the first time by television, I am convinced that there is a greater demand than ever before for a change.

The people saw for themselves how conventions were operated, how party hacks and political back-room maneuvers operated right in full view of the public. I don't think the people liked it. In my opinion, they want this great power taken out of the hands of a few professional politicians and restored to the people where under our system of democracy, it belongs.

I had hoped that after the 1952 conventions, the Congress would return here and promptly take steps to make the reforms whose need is so clearly indicated. We did have some hearings, Mr. President, but no action resulted.

We are now virtually upon the eve of the 1956 campaigns. Within a very few months—less than a year—the speechmaking, the handshaking, and the organizing will be underway. Thirteen months from today the first primary will be held in New Hampshire, and there may be as many as 20 other primaries in advance of the political conventions. That's fine and all to the good, but what about the people of the other 27 States? Eighty-two million people in the United States have a voice in the selection of their party candidates. Are not the other 78 million people likewise entitled to an equal voice?

Yet here we are just 13 months away from our first Presidential primary in a State. We are going to have to get busy if we are to do anything by 1956. Even now it may be too late for 1956; if it is, we should start right now in anticipation of the primaries for 1960.

I am just as much in favor of changing the electoral college as anyone else. That is a change long needed. But that is not all that is needed.

The proposal that I have before the Senate—Senate Joint Resolution 9—calls for a reform of the electoral college. But, in addition, it calls for establishment of the national primary. It also proposes a change in succession to the Presidency in the event of the death in office of the President.

Mr. President, I hope that we may get some action. The public has long awaited action by Congress on this vital subject.

The PRESIDING OFFICER. Is there further morning business? If not, the morning business is closed.

#### DEATH OF FORMER SENATOR FRED HERBERT BROWN, OF NEW HAMPSHIRE

Mr. COTTON. Mr. President, Fred Herbert Brown, formerly a Senator from the State of New Hampshire, passed away at his home in Somersworth, N. H., last Thursday, February 3. New Hampshire mourns the loss of a distinguished son.

My colleague, the senior Senator from New Hampshire [Mr. BRIDGES] is unavoidably absent, filling an engagement in his home State. When he returns he will wish to speak of his memory of Senator Brown, with whom he served both in this body and for many years on the public service commission of New Hampshire.

Fred Brown's career reads like a thrilling and romantic story. Born in the little town of Ossipee, he was educated at Dartmouth College where he was an outstanding baseball star. In his early years he played professional baseball in minor leagues and then on the Boston Braves. After graduating from Boston University Law School, he settled in the city of Somersworth and practiced law there. He climbed the ladder of public office: mayor of Somersworth, United States District Attorney, Governor of New Hampshire, and finally, United States Senator.

New Hampshire is an overwhelmingly Republican State. In the 90 years since the Civil War it has had but 2 Democrat governors, 1 elected in 1912 when the Bull Moose movement split the majority party, and Fred Brown, elected Governor in 1922. Since the Civil War, New Hampshire has had but 2 Democrat United States Senators, 1 elected under the same circumstances in 1912, and the other Senator Brown, elected in 1932. I would not refer to political affiliations which fade into insignificance when the time of parting comes. I mention them because the fact that Fred H. Brown was the only member of the minority party to win the highest offices in the gift of the people of New Hampshire in a straight two-party battle is eloquent testimony of the unique place he held in the hearts of men and women of all parties in the Granite State.

He was the intimate friend of two Presidents, Franklin D. Roosevelt and Harry S. Truman. After his service in the Senate, President Roosevelt appointed him Comptroller General of the United States, but the stroke which began his long illness compelled him to resign shortly after his appointment. Later, the President called him to the Tariff Commission, but again his health made it impossible for him to serve. For 15 years he has been an invalid confined to his home at Somersworth where he has been visited by his friends and admirers with whom he served in public life both here and in New Hampshire.

We who knew him are saddened by his death, but the sadness is lightened by our realization that his long vigil is ended. After 15 years of dreary invalidism, he has passed to his eternal rest.

Mr. RUSSELL. Mr. President, it was my high privilege to serve in the Senate with the late Senator Brown, of New



Hampshire. I desire to associate myself with the very eloquent tribute paid him by the distinguished junior Senator from that State.

Senator Brown's career served as an inspiration to the young men of this Nation. Because of his diligence, his patriotism, and his unswerving loyalty to his country and to those whom he served, he achieved the heights under great difficulties. He was a great public servant, and I know that the people of New Hampshire appreciate his many contributions to the welfare of that State and of the Nation.

Mr. KEFAUVER. Mr. President, I take this opportunity to join with a number of my colleagues in paying tribute to the life, the useful public service, and the character of the late Senator Fred Brown, of New Hampshire. It was my privilege, as a Member of the House of Representatives, in 1939, to meet and to come to know Senator Brown.

He had a distinguished career as a public servant in the State of New Hampshire and as a Member of the United States Senate. He was progressive, forward-looking, and always interested in the small-business man and the farmer. He proposed and helped to enact a great many worthwhile laws which are now on our statute books.

Later he was appointed Comptroller General of the United States, in which position he rendered excellent service for a few months. Unfortunately he had to retire because of ill health.

After a period of convalescence and recovery, he was again appointed, by President Roosevelt, who had a very high opinion of Senator Brown, as a Member of the Tariff Commission.

Senator Brown was always interested in the young Members of the House and of the Senate. He was always willing to take time to discuss their problems with them, as it was my privilege to talk with him on a number of occasions.

In 1952, at Somersworth, New Hampshire, where he lived, I had the privilege of calling on Senator Brown on two occasions. At that time he was an invalid and bedridden, but his mind was alert. He maintained a continued interest in the affairs of his country, in the proceedings of Congress, and in the personalities in the National Legislature.

I feel that the State of New Hampshire and the Nation have lost a very useful citizen. Many of us have lost a personal friend. I wish to join in extending my sympathy to the members of the late Senator's family.

#### "PEACEFUL COEXISTENCE" PROPAGANDA OF SOVIET UNION

Mr. WILEY. Mr. President, the replacement of Georgi Malenkov by Marshal Bulganin as Premier of the Soviet Union demonstrates anew several things:

First. The unending bitter struggle for power among the Soviet leaders—a struggle which may intensify rather than lessen now.

Second. The fact that the free world definitely cannot rely upon the so-called peaceful coexistence theme which

Malenkov had been stressing for some months.

So long as a Soviet foreign policy trend can be established at the whim of one of the members of a dictatorial clique, it can also be upset by a change in that clique.

Regardless of individual changes in the Kremlin, however, the fact of the matter is that its overall strategy, aimed at world revolution, has remained unchanged, even during the period of Malenkov's ascendancy.

The free world should not indulge in any wishful thinking that the Soviet problem will solve itself merely because of these eruptions in the struggle for power. The latest defense budget in which the Soviet Union spends, in effect, more than ever before—112 billion rubles for arms, or around \$28 billion—is far more meaningful than any temporary propaganda line which the Reds adopt.

Khrushchev, who is apparently riding high, gives every indication of continuing to emphasize heavy war industry at the expense of consumer items.

To the extent that Khrushchev's position has been strengthened by the latest change, the danger to the free world has not lessened.

#### THE SITUATION IN ASIA

Mr. MORSE. Mr. President, I ask unanimous consent that there be published in the body of the RECORD, as a part of my remarks, viewpoints on the situation in Asia with which I wish to associate myself. They are in the form of a series of articles written by Mr. Walter Lippmann, an article written by Marquis Childs, appearing in this morning's Washington Post and Times Herald, and an article written by Joseph Alsop, appearing in the Washington Post and Times Herald of yesterday morning.

By way of comment on the series Mr. President, I desire to say that it is exceedingly interesting to note that since the passage of the joint resolution a few days ago numerous articles written by some of the keenest students of American foreign relations, such as Mr. Lippmann, Professor Morgenthau, of the University of Chicago, Mr. Marquis Childs, Mr. Alsop, and professors of foreign relations in a great many American universities, have been writing articles which I think expressed the fears by some of us on the floor of the Senate who could not go along with the resolution. We could not go along because of what we regarded as the increasing danger of the Nationalist Chinese involving the United States in a war in Asia, which would result in the unnecessary sacrifice of many American boys.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald of February 8, 1955]

#### TOWARDS A CEASE-FIRE (By Walter Lippmann)

The evacuation of the Tachens has now begun, and if it is successful, which we need not doubt, the position will be stronger and safer than it was before.

A great deal has been said and written about how important it is to hold positions of strength. The Tachens were not a position of strength. They were a military and political liability. They could not be defended except at the risk of a general war which no one in his senses would undertake for such unimportant territory. The Chinese Nationalist troops on them had nothing useful to do, and they were in a military trap—like the French at Dien Bien Phu. Had they been lost, instead of being evacuated, Chiang would have made the same military error as the French made when they locked up a garrison at Dien Bien Phu, locked it up in an outpost of no decisive importance which could not be defended. The story in Indochina might well have been different from what it is today if a policy of evacuation from indefensible outposts to concentrated strong points had been carried out.

These considerations apply to the other offshore islands, and the sound American policy would be to follow up what is being done in the Tachens by doing the same thing in Quemoy and Matsu. This is the surest way to carry out the policy which the President laid down in his message to Congress. The policy is to keep Formosa and the Pescadores out of unfriendly hands, and to bring about a cease-fire in the Formosa Strait. There is one way by which at present Formosa can be defended. That is by American military power. But there are two ways in which the policy of the cease-fire can be put into effect. The one—which we have been attempting—is to negotiate a cease-fire with Peiping. If they would agree to it, they would tacitly assent not to attack Formosa and we—so it is generally understood—would in return bring about either the neutralization or the evacuation of the offshore islands.

This way of arriving at a cease-fire has been rebuffed angrily by Chou En-lai. We ought not to be surprised. It was wishful thinking to suppose that the Chinese government, which has won the civil war on the mainland, would appear as a nonmember before the Security Council in which China is represented by a faction that is no longer on the Chinese mainland. It was no less wishful to suppose that the Red Chinese would publicly sign a cease-fire which meant that they had renounced the right to complete the defeat of Chiang and to recover by force the island of Formosa.

It is most improbable that the cease-fire can be obtained by public agreement either in the U. N. or in any other kind of conference.

There is, however, another way to bring about the cease-fire for which the United States national policy calls. It can be done by direct American action, and it does not depend upon the negotiation of an agreement with Peiping. This is to do in Quemoy and Matsu what we are doing in the Tachens—to evacuate them not as the result of a bargain but as a strategic measure to liquidate a position of weakness, and to fall back on Formosa, which is a genuine position of strength.

Once that is done, there will be in fact, whatever Peiping may or may not agree to, a practical cease-fire in the Formosa Strait. Pin-prick bombing and shooting and raiding, which the Nationalists do from these offshore islands, will stop. There will be a hundred miles of blue water between Red China, which has no navy, and Formosa, which we are defending. In a military sense this will be for all practical purposes a cease-fire between the two Chinas—as there is between the whales and the elephants who cannot get at one another. Formosa will not be in Peiping's military orbit. The fantasy of putting Chiang back on the mainland by an all-out American war will have been dissipated. The risk of a great war, over trifling islands will have been greatly

reduced. We shall have protected our genuine, as distinguished from our fictitious interests, and we shall have the moral and political support of our allies.

It will be said by some that to evacuate the islands is appeasement. But if we are talking about appeasement and about prestige, which is the firmer American policy: to sell these islands for a cease-fire, treating them as pawns in a bargain, or get rid of them as military and political legal liabilities, and to take a stand on a line—that of Formosa and the Pescadores—which is a defensible legal line, a defensible strategic line, which is a sound political line in that it has the support of our allies? I think it is more dignified to evacuate the islands for our own reasons than to sell them to obtain the benefits of a truce. We can have the benefits of the truce without bargaining and by our own voluntary action.

There is only one considerable doubt about this policy. It is whether Chiang can be induced to agree to it without demoralizing his army and his officialdom. There is no denying that that could happen. But we have to remember that if it is going to happen because of the evacuation of the offshore islands, it is going to happen anyway. For the administration has taken the fundamental decision not to support a war for the reconquest of the mainland. It cannot be sound policy to use Quemoy and Matsu as a way of allowing the Formosan Chinese to deceive themselves into thinking that the administration does not mean what it says. It cannot be sound policy to use these islands as bait to the Formosan Chinese, as a way of causing them to keep on thinking that the United States can be pushed, pulled, ensnared, and entangled into the kind of war that the United States has decided not to wage.

We cannot go on forever, or for long, sacrificing the national interests of the United States to our fears and to our guesses of what will and what will not happen to the morale of Chiang's regime. If our true interest is to evacuate the offshore islands and to stand on the legal line of Formosa and the Pescadores, then we owe it to the people of this country to follow our true interest, refusing to let high policy be controlled by the internal politics of the Formosa regime.

[From the Washington Post and Times Herald of February 7, 1955]

#### A MAIN CLUE

(By Walter Lippmann)

In calculating the risks and in estimating the probabilities in the Far East, we need an explanation of the fact that both Peking and Washington talk as if the struggle to seize Formosa were a near possibility. Yet, except for the lone voice of Joseph Alsop, who thinks that the intelligence estimates of Chinese power may be unreliable, the general assumption is that the Red Chinese do not have the military means needed to conquer Formosa. They have no navy and the hundred miles of water in the Formosa Strait are guarded by the most powerful navy in the world. Yet, as Mr. Alsop says, "The Peking government has been promising its people to take Formosa this year at the top of its voice" and "it is really hard to see why the brilliant Chou En-lai should have engaged Peking's prestige to the very hilt, if the threat to Formosa is a mere vainglorious maneuver."

Mr. Alsop's point is, I believe, well taken. The question then is why Chou En-lai, who has no navy, can afford to talk about conquering an island a hundred miles out at sea? How does he think he can capture Formosa this year, or even next year? The answer to this question, and the answer to many of the obscurities and ambiguities in the whole problem, is that Chou En-lai is counting upon the instability of Chiang Kai-shek's regime in Formosa. He could not

be promising to "liberate" Formosa soon unless he hoped and believed that the Chinese army and officials might do on Formosa what was done so often during the civil war on the mainland—that is to say, to change sides and to make peace.

If this is the basis of Chou En-lai's hope, it is the basis of Washington's underlying fears. No doubt we believe that Chiang's regime is more solid than Chou En-lai is assuming it to be. But a dominating consideration in our whole Chinese policy is the knowledge that the regime at Formosa is fragile and that to keep it going everything must be done to bolster its morale. If the Administration felt sure that Chiang's regime in Formosa were solid, it would not hesitate much longer to recognize it for what it really is—as the government not of China but of Formosa. The block to that policy is the well-grounded fear that the Chinese in Formosa would not settle down peacefully as exiles but would come to terms with the mainland Chinese.

The Chinese on Formosa tell us, and Americans who are in close touch with them believe, that Chiang's regime would crumble in disaffection and intrigue if there were cut off the practical hope of a return to the mainland. Whether or not this is the fact, the Formosan Chinese insist on it and their supporters in Washington agree with it. Yet the fact of the matter is that the United States Government has not only abandoned hope of a restoration but has put its decision in this matter in writing in connection with the proposed Formosa pact.

Nevertheless, in Formosa the decision is not regarded as final and conclusive. The speculation is still alive that the United States will be and can be drawn into a great war in which Chiang might be able to return to the mainland. The administration, afraid that morale might crumble, has allowed the government in Formosa to nourish this hope. It has at least refrained from dashing it conclusively. This desire to keep up Chiang's spirits by letting him go on hoping for war is almost surely the real reason for the costly and dangerous fuzziness about the offshore islands. These islands are not part of the strategic defense of Formosa. They are symbols of a conceivable return to the mainland.

The administration does not have a clear policy. There is in it a basic contradiction which will in one form or another have to be resolved.

On the other hand, there is the decision not to support an attempt by Chiang to return to the mainland. This decision carries with it the unavoidable conclusion that Chiang's government in Formosa is not the government of China, and that it is not entitled to the Chinese seat in the United Nations.

On the other hand, there is the desire to keep Formosa out of Red Chinese control, and the assumption that the only way to do this is by supporting the Chinese Government in Formosa.

The combination of these two decisions would be the policy of the two Chinas, and it would be a feasible policy if only one uncertainty could be removed. That is whether the Chinese in Formosa would stay in Formosa and would not make their peace with Peking. If we could be sure of that, which we cannot be, the defense of Formosa ought to be quite feasible.

Chou En-lai's hopes are based on the belief that the Chinese in Formosa can be induced to come over to his side. We are not sure that they cannot be induced to do that. It is not a comfortable situation and that is why everyone who is serious about this business feels that he is standing on very uncertain ground.

We have staked a lot on the reliability of Chiang's regime. Yet in deciding, as our own vital interest required, against supporting his return to the mainland, we have done what is most likely to sow fatal doubts

within his regime. To offset these doubts, to preserve the morale of the Chinese of Formosa, we have felt compelled to become entangled in the Chinese civil war on the offshore islands. So we find ourselves unable to draw a clear line or to take an intelligent position that can command the support of world opinion.

#### MUTUAL DEFENSE PACT

(By Marquis Childs)

The close relationship between Nationalist China and the United States, which has been one of the most troubling factors in formulating American foreign policy, is being formalized in a mutual defense pact. Virtually no interest has been shown in hearings on the pact by either proponents or opponents.

Many Senators believe that since Congress overwhelmingly approved the Formosa resolution, the treaty with Chiang Kai-shek is a mere formality. The Eisenhower resolution commits the United States to defend Formosa and the Pescadores and other related territories should their defense be necessary in protecting Chiang's island bastion.

But the treaty is a mutual commitment, and for the Nationalist Chinese this is an important distinction. The Eisenhower resolution is a unilateral statement of policy which can be altered at any time that American policymakers wish to change it.

But the doubts over America's course in formalizing this link with Chiang will persist. As was pointed out during the debate on the Formosa resolution, there is an important discrepancy between the treaty and the resolution. The latter puts the umbrella of American protection over other related territories, a phrase interpreted to mean the offshore islands of Quemoy and Matsu. The treaty is restricted solely to Formosa and the Pescadores.

During the debate on the resolution this discrepancy was pointed out by Senator HARRY BYRD, Democrat, of Virginia, one of the leading conservatives in the Senate. An Eisenhower supporter who declared his intention of voting for the resolution, BYRD nevertheless sharply challenged the commitment to Chiang. He said:

"Can we underwrite the conduct and operations of Nationalist Chinese garrisons in their day-to-day, hour-to-hour contacts with a military aggressive enemy? Should we obligate ourselves for whatever force is necessary to maintain these garrisons in their extremely exposed positions? \* \* \* Such circumstances are virtually certain to open wide the door for a shooting war on the mainland of China with all of its disastrous consequences."

BYRD offered his statement in connection with his vote in favor of an amendment which would have stricken from the Formosa resolution the phrase, "other related territories," and would thereby have eliminated responsibility for defense of the offshore islands. But the Senator from Virginia went on to raise these doubts about the mutual defense pact:

"\* \* \* If the pending treaty is ratified, we would enter into close partnership, on equal terms, with Chiang Kai-shek, the undisputed leader of the Republic of China \* \* \*. For his purposes, Chiang Kai-shek knows better than anyone else that he can never set foot on China again without American planes, troops, and ships. As a Senator, it is my considered opinion that Chiang Kai-shek is motivated by self-interest; that when the critical time comes he may place his ambitions above the welfare of his American partner."

There are those who hope that the Formosa resolution is the beginning of a new China policy which will evolve in the months ahead. While a formal cease-fire may not be possible, particularly since Chou En-lai, Communist foreign minister, has refused the invitation to come to the United Nations to



discuss a cease-fire resolution, a cease-fire in fact may result.

Through diplomatic negotiations the way may be prepared for Red China's admittance to the U. N. on a two-China basis. There are already rumors of a package deal which would admit Communist China along with Spain, Italy, Finland, and other countries long excluded by the Russian veto. If America's allies were to favor such an arrangement, it would be hard for this country to stand alone in opposition.

This is precisely the fear of those who want to keep Red China isolated. They count on the fanaticism of China's leaders to reject any solution the West would consider reasonable. And for the long pull, an isolated China, as they see it, will be subject to internal stresses and strains that are self-destructive. This last may be wishful thinking, but that has been a major ingredient through the years in America's China policy.

#### THE ENEMY BUILDUP

(By Joseph Alsop)

TAIPEH, FORMOSA.—The buildup and the current deployment of Chinese Communist military power ought to give pause to those who regard the Formosa crisis as a mere passing flurry.

Since the Korean truce, important ground and air forces have been transferred southward to the coastal provinces which are the natural jump-off points for an attack on Formosa and/or Formosa's offshore islands. And the modernization of Red China's land army has, meanwhile gone rapidly forward, so that most of this huge force is now almost as well equipped as the Soviet Union infantry.

Authoritative intelligence sources now credit the Peking government with regular ground forces with a strength of more than 3,100,000. These are organized in 210 infantry divisions, 22 artillery divisions, 6 armored divisions, plus considerable numbers of independent tank and artillery regiments, engineer regiments, and cavalry outfits.

On the ground, the post-Korean redeployment has been dramatic. At the end of the fighting, the Chinese had 17 of their armies on the Korean front. Seven of these armies (composed of 3 divisions each and equaling an American corps) have now been transferred out of Korea into China proper.

Three armies from Korea, the 12th, the 20th and the 26th, have been sent down to Chekiang and Kiangsu provinces, where the force threatening the Tachen Islands is massed. A fourth army from Korea, the 60th, is in first reserve position at Nanking. Three more armies from Korea are in North China, close to the north-south railroads that can carry them rapidly to the Yangtze Valley.

The Chekiang-Kiangsu force, immediately threatening the Tachens, now comprises four armies in all. Further south, in Fukien Province, across the narrow waters from Quemoy and the Matsu Islands, there is a second large mass of troops comprising 3 armies. None of these armies in Fukien, however, is of Korean origin.

The air redeployment has followed almost exactly the same pattern. Before the Korean armistice, the main strength of the Chinese Communist air force of just under 2,000 combat planes was stationed in Manchuria, to support the ground troops at the Korean front. In this period, the dispositions along the China coast were obviously defensive.

Now, however, an additional 500 aircraft, including 5 air divisions of MIG 15's, have been transferred southward. Instead of being in the north, the main strength of the Communist air force is thus concentrated in Chekiang, Kiangsu and the lower Yangtze Valley, where the air-base building program

has been intensive. And there is a secondary concentration, of 5 additional air divisions, in the more southerly region around Canton.

In the air picture, however, there is one important difference from the ground picture. There is a striking gap in Fukien Province, in the immediate neighborhood of Quemoy and the Matsus. No air units are as yet stationed here. Only one, Fukien airfield, at Foochow, is fully ready to support jet operations. In view of the distances involved and the short range of the MIG 15, the Communists would, therefore, find it difficult, at this time, to use their most important plane in large numbers in support of assaults on Quemoy or the Matsus.

The slow but inexorable movement of all forces southward points to an eventual attack on Quemoy and the Matsus and, beyond much doubt, on the main island of Formosa.

In short, what the Communists can do if they choose to risk the consequences is only too grimly clear. What they will do is not by any means so clear. But the consensus in Taipei, which seems logical to this reporter, is not particularly encouraging.

In brief, it is plain for all the world to see that President Eisenhower is hoping that evacuation of the Tachens plus a show of firmness about the other islands, will eventually enable him to make a deal. Quemoy and the Matsus are to be traded for a promise of toleration of the Nationalists on Formosa. Two Chinas, one small and in the process of withering away, the other vast and growing stronger by the month, are thus to be recognized.

This must look logical in Washington. But the consensus here, even among the few who favor such a deal, is that the President will not get what he wants by mere hints that he may perhaps fight for Quemoy and the Matsus. It seems likely, rather, that the President will have to prove he means it, by actually fighting for those islands when the time comes.

#### FACING THE FACTS

Mrs. SMITH of Maine. Mr. President, too often we are impressed not with what a speaker says but rather the manner in which he says it. We pay too much attention to the form instead of the substance. We are too often carried away with the mellifluous orator who, in tones of pleasing resonance and intriguing gestures, whispers and coos sweet nothings to us and tells us only that which we want to hear. Too rarely do we hear an honest speaker exhibit the courage to tell us the facts and tell us what we should hear and are entitled to know.

I will take the courageous and honest speaker anytime over the mellifluous orator. Ezra Taft Benson, the Secretary of Agriculture, is the honest and courageous kind of speaker. He proved that in my home State of Maine on February 2, 1955, at Fort Fairfield, when he made a speech I should like every Member of the Senate to read. And so I request that his speech be printed in the RECORD for that purpose.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

#### LET'S FACE THE FACTS

(Address by Secretary of Agriculture Ezra Taft Benson)

This is my first visit to Maine since becoming Secretary of Agriculture and it is a great pleasure for me to be here with your Governor, Senator Smith, Congressman McIntyre, Dean Deering, and all you. We

in the Department of Agriculture and you in Maine are very fortunate in your entire delegation in Congress. They have kept us closely informed on your agricultural problems and programs. They are intensely interested in your welfare. They have been most helpful to us in the Department and we shall continue to work closely with them.

I was greeted by another pleasure when I got off the train and saw all this snow. Snow is something that I have missed since coming to Washington 2 years ago. So it was an engaging sight to see the Maine landscape covered with this charming white mantle.

At the same time I recognize that all of this precipitation coming on top of your abnormally rainy summer creates additional problems for Maine farmers.

We in the Department of Agriculture are very much concerned over the difficulties you have been having. Your Senators and Congressmen have told me that few of the major agricultural commodities produced by Maine farmers had a good year in 1954. I understand that dairy producers did better than others, but the dairy situation certainly has not been one to arouse great joy. I know. We have been struggling with dairy problems for many months, and it is only recently that we have been able to see definite signs that the situation is on the upturn. We do see such signs now.

There is an unmistakable trend toward a better balance between dairy supplies and demand—a balance which is being brought about not through distasteful and uneconomic production controls, but rather through voluntary adjustments in production and increased consumption of the health-giving dairy foods.

This past December, milk production was 1 percent below December of a year ago. Dairymen are bringing their production into line with market demand.

Our Government-owned stocks of butter have come down sharply during the past 6 months. Last summer we owned 466 million pounds; on January 12 we held 262 million pounds. Stocks of cheese have recently been reduced by more than 100 million pounds. In December, the Government bought not a single pound of butter, the first month of no purchases in 2 years.

Your poultry industry, like poultry everywhere, has been hard hit by falling prices. But we now can foresee the end of the cost-price squeeze which egg and poultry producers have faced during the last season. Indeed, egg prices at the farm level have increased contras seasonally in the last few weeks. Poultry prices likewise have improved in recent weeks.

In response to the relatively low market prices of last fall, fewer chicks are now moving out for laying flock replacement next spring. Prices next summer and fall should be substantially above those of last season, thus permitting efficient producers to experience more normal profit levels.

Your orchards were hurt by hurricanes Carol and Edna, which, I am told, stripped the trees of most of their fruit.

And Maine potato growers, as we all know, are in their third successive year of adversity.

Last year Maine potato growers had to fight continuously against the elements in planting, cultivation, disease control, and harvest. Your production costs were among the highest on record. Other areas of the Nation suffered from drought, but in Maine the potato-growing areas suffered from too much rain. Your problem of blight control was aggravated and even frequent spraying of your fields did not produce satisfactory results. Rain made the harvest difficult and poor. It required extra careful conditioning of the crop for storage to prevent spoilage.

And now this year you must compete with growers in areas less distant from terminal markets, where growing conditions have

been favorable, and good quality crops have been the rule.

Well might you say, "These are the times that try men's souls."

They are indeed trying times.

But the people of Maine have stood firm under economic gales before. You are the same resolute stock as those who peopled this land in an earlier century. You have their spunk and their heart.

Here at Fort Fairfield in 1774 a few hardy pioneers settled in what was then a vast wilderness. They paved the way for the busy rural community of neat homes that we see here today. They and their followers set in motion the train of events that led to the typical Maine farm of today, with its well-kept fields, its large barns, and trim white house encircled by lovely orchard trees.

With a background of this kind, you farmers of Maine are, I know, determined to do what needs to be done to build a sound and prosperous future for your agriculture.

And speaking for the Department of Agriculture, I pledge you our whole-souled cooperation.

What are the ingredients that must go into the building of this sound and prosperous future?

I'm sure I don't know all the ingredients, but I do know some. I know we must have the facts. Facts are the road maps of economic progress. Second, we must face the facts honestly, which means interpreting them with scrupulous objectivity. Now what are some of the facts that we know about potatoes?

We know that potatoes are one of our primary foods. In terms of farm income potatoes are one of the top 10 crops.

We know that the industry has been noted for its outstanding, capable leaders.

We know that the industry has demonstrated the ability to overcome many adverse production and marketing situations. Having done it before, we are confident that you can do it again. And our confidence has been strengthened by the current activities of your industry organizations—the Maine Potato Industry Council, your Young Farmers Association, and your local potato growers associations such as the one here in Fort Fairfield. These organizations can continue to perform an increasingly valuable service by pooling ideas and working jointly toward the solution of common problems.

Another basic fact that we know and must face is this: Except for 1 or 2 years, there has been a consistent overproduction of Maine potatoes in relation to demand since 1943.

Production of Maine potatoes has been running substantially higher than it did during the 1930's. Commercial shipments, on the other hand, have been lower. Carlot shipments from the 1954 Maine crop will probably be 25 percent less than the pre-war average.

There are only two alternative solutions to this problem of overproduction: Either your markets must be expanded or your production must be curtailed.

Maine currently seems to be able to market successfully about the same quantity of potatoes as before the war. With the present high yields, this means that 125,000 to 135,000 acres in a normal year will give you adequate production.

The Department has for a number of years issued acreage guides for potatoes and other vegetables. The guides are based on our best appraisal of market requirements for the Nation. They are broken down to each State on the basis of the current production pattern. We issue these acreage guides to provide growers, shippers, suppliers, credit institutions, and other persons interested in the industry with our best judgment of the acreage level which, under current market conditions and with an orderly marketing

program, should be expected to reflect a fair price return to growers.

We have just released the 1955 potato acreage guide for Maine. It recommends 132,600 acres. This is about 7 percent more than last year's guide, but 15 percent less than last year's harvested acreage.

Just in passing, let me say that we would welcome the opportunity, through our service agencies and your State extension service, to explain and discuss fully the basis for this guide with all growers and other interested groups.

You have serious marketing problems this year. The leadership of the Maine potato industry, recognizing these difficulties, recommended that a marketing-agreement program be applied. This is another indication of your willingness to face the facts, especially as they concern the shipping of low-grade potatoes to terminal points where they would meet the competition of better-quality potatoes from other areas.

The marketing-agreement program you have adopted this year, through referendum, is a move to help the industry in Maine by keeping low-grade potatoes out of competition. The current shipping regulations may, because of the quality of your 1954 crop, keep 25 to 30 percent or even more of the crop off the market. I believe that these regulations have contributed significantly toward improving the market prices, and I think it is extremely fortunate that the marketing-order regulations were available for use this season in view of the grade and size composition of your crop.

This, however, leaves the problem of disposition of low-grade and cull potatoes. It is a matter to which we have given a great deal of study.

Early in January your congressional delegation recommended that we consider a starch-diversion program with a Government subsidy on these lower grades and sizes to increase the price to farmers. We discussed this proposal thoroughly with your congressional group. It was agreed that we should wait until the January 1 stocks reports were available before making a decision.

As you know, the Department announced last week that a starch-diversion program would not be undertaken at this time. I assure you this was not an easy decision to make. It is much simpler sometimes to say "Yes" than to say "No." But I feel very deeply that "yes" would have been the wrong answer at this time. Let me tell you why.

A careful appraisal of the prospective situation for the balance of the 1954 crop season points to a favorable outlook. Market prices this year are well above last year and there has been a moderate increase since the first of the year. The stocks report of 10 million bushels less than last year has been received with a considerable degree of confidence by the potato industry. Merchantable stocks do not appear greatly to exceed requirements. Here in the Northeast particularly, these stocks are only 4 million bushels more than the short supply of 3 years ago; also, shrinkage during the rest of the season probably will continue to be greater than normal. This will further reduce the supply of good-quality potatoes.

For these reasons, we concluded that market prospects do not justify a diversion program on the lower grades of potatoes. Nevertheless, we are keeping the market developments under continuing review.

Our decision, moreover, was determined by the long-range view as well as by the immediate situation.

Assume that a starch-diversion program were started with the Department paying a subsidy of, say, 60 cents per barrel for all potatoes above culls going into the factories. How much good—or how much harm—would this shot-in-the-arm type of treatment do to the Maine potato industry?

It would, of course, increase the total returns to potato growers this year. But in the normal course of events, higher returns mean larger acreage planted next year and greater marketing difficulties. More fundamentally, however, an artificially high price on the poorer quality potatoes is not a basically sound approach. Why should pick-outs and strip-stock be regarded as part of the merchantable supply for tablestock shipments? A subsidized starch price might well do more harm than good by deferring full recognition by growers that these potatoes are really worth only their actual salvage value. It comes down once again to a question of fact and a willingness to face the fact.

I will not hesitate one moment to approve a price-assistance program—whenever it lightens the immediate economic burden and does not interfere with the important long-range objectives. But I do not believe we wish—or can afford—to sacrifice the future to the present. American farmers—and New England farmers particularly—are not penny-wise and pound-foolish.

There is reason to feel that the price-support programs of a few years ago were an instance in which potato growers unwittingly may have sacrificed the future to the present. You recall what happened in years of big supply. Early potatoes went to market; but where did Maine potatoes go? They stayed in storage. It became a highly unsatisfactory situation. It was a program that broke down under its own weight—but not before it hurt the potato industry in the estimation of the American people and cost the taxpayers \$478 million. It led to legislation specifically excluding potatoes from support provisions.

That is why I am so deeply convinced that we must weigh all programs on the scales of both future and present effects.

We are well aware that many Maine farmers have unusual credit requirements especially this year because of the losses they have suffered.

Loans from the Farmers' Home Administration have helped Maine potato growers keep going during rather critical periods. Last year the FHA made available to Maine an additional allotment of production and subsistence loan funds amounting to approximately \$1½ million. These loans helped finance the operations of family-type farms in the Aroostook potato area.

We are quite proud of the way this loan program was handled. In developing the operating plans, production costs per acre were held to a minimum. As a result it was possible to make loans that were clearly within the ability of the borrowers to repay. The records show also that farmers who were assisted by these loans reduced their acreage substantially.

While the FHA does not have comparable production and subsistence funds for allotment this year, it does have authority and funds for making emergency loans. This authority grows out of the designation of Maine as an emergency loan area following the hurricanes last fall. As a result the operating loan program this year will be operated on substantially the same basis as last year.

We have been talking thus far mostly about efforts to stabilize the potato industry in Maine through production adjustment, and marketing regulations. Before passing on to another area in this discussion, I want to reemphasize the vital importance of growers' planting within the recommended acreage guides announced by the Department. Let us face the facts. Acreage planted in excess of the guides in various States has in the past resulted in excess production and disorderly marketing conditions. This was particularly true, as you all know, for the 1953 crop-marketing season.

Adjusting production to market requirements will mean better prices and more in-



come. This is just commonsense. Too much production glutting the market gives about the same results as too many boys around the fishing hole. Nobody gets any fish.

At the same time, we recognize that adjusting production raises the question of what to do with the idle acres. Maine farmers, like those in many other States, have been trying to deal with this problem through more diversification, and that is certainly a logical solution. You have increased your dairy production in Maine. Poultry now brings in considerably more of the State's farm income than potatoes. Egg production for the use of hatcherymen is building up, and there has also been an increase in egg production for table use. Broiler production was 5 to 10 percent higher in 1954 than in 1953. Turkey production increased by about one-fourth. Maine farmers are growing more grain for poultry feed, and to some extent are using combines for harvest, which indicates that they are very seriously in the grain business.

Obviously, then, diversification has made important strides. But there is always more that can be done. I urge you to explore the situation thoroughly. Our departmental agencies are available to work very closely with you. The Extension Service is pushing ahead with its farm unit approach—a program designed to get the most out of the farm's total resources. The Farmers Home Administration helps small farmers with credit and a sound plan of operation.

I want to repeat what I consider to be the theme of my remarks—that we are interested in your problems; that our agencies are your agencies; and that they exist to serve you.

Let us turn now to an examination of the possibilities of expanding markets for Maine potatoes.

Here again we must have facts. What are the facts behind the decline in commercial shipments of Maine potatoes?

We feel that among the major causes are these:

Competition from other areas; loss of Maine's premium quality; the national decline in consumption of potatoes; and Maine's shorter marketing season and smaller marketing area.

Changing freight rate relationships have affected the competitive position of the major potato-producing areas.

The concentration of potato production among fewer commercial growers has brought improved grading practices in many areas. This has lessened the big market premium which once existed for Maine potatoes. Washing of potatoes and other vegetables is the common practice for all important production areas except the Northeast; this may also have affected market-price relationships. Moreover, the variation in eating quality among the many different varieties produced in Maine has certainly not helped.

The decline in per capita consumption of potatoes is important.

Potato consumption per person has fallen at least 20 percent since the 1930's.

The marketing season for the bulk of the sales of Maine potatoes is much shorter than it was 20 years ago. The bulk of the movement is now confined to the January through April period. For example, a yearly average of 11,000 carloads were shipped before December 1 during the 1930's as compared to 2,000 cars this year and 5,500 cars last year. A higher proportion of the commercial shipments are being made to Massachusetts, New York, and nearby States with a sharp decrease in shipments into the southeastern area.

A careful and unified analysis by the industry groups in Maine of these factors and some of their underlying causes should prove helpful as a move toward expanding your potato market. Again, the Department is

eager to help by supplying more detailed market information. We are starting this year to separate the summer crop in most of the so-called late States where it is important and will report both a summer and fall crop. A much better estimate of the potential storage stocks will thus be available several months earlier in the season.

We announced last week that reports of storage stocks of merchantable potatoes will be issued for February 1 and March 1 this year. In fact representatives of the potato industry have raised the question of whether we should not have a more adequate reporting program every year. Our budget this year contains a request for funds to initiate an expansion of our reports on trucks receipts of potatoes and other fruits and vegetables in terminal markets. With an estimated 50 to 60 percent of the fresh fruits and vegetables now moving by truck, it is essential that our daily rail shipment and unload figures be supplemented by comparable data on truck movement. We hope eventually to be able to issue a combined daily report on the total unloads for all major markets in order to provide information urgently needed by the industry to gauge the volume of movement and supplies on hand in the different markets.

If there are any two words which best describe the key to a sound and prosperous agriculture for Maine potato growers—and for United States agriculture generally—they are: Better marketing.

Sometimes it is said that a fundamental cause of highway accidents is that we have cars powered to go 120 miles an hour but roads designed for 50 miles an hour. So it is in the potato industry. Your productive machinery is powered to do 120 miles an hour, but the marketing channels are geared to a slower speed.

To improve marketing channels we must have more knowledge, more facts effectively applied. Consequently, we are seeking to give marketing and marketing research the emphasis it must have to complement our vast productive machine.

Of course there are some who would say: "Why have more research on potatoes? Research is largely responsible for the surpluses we have now."

But I know it isn't necessary to point out the fallacy in that opinion to Maine farmers—particularly since Maine potato growers were the first to go to their legislature and ask a tax on themselves for research and promotion to improve the industry. These funds that have been used for research and promotion are the cornerstone of your merchandizing program. Other States have flattered you by imitating your example.

And I know I don't need to sell marketing research to a group who were among the first to market potatoes in consumer-size packages.

But I do want to tell you some of the work that has been done or is now going forward, because I think it is an impressive portent of the sound and prosperous agriculture that is our common goal.

Much research is carried out in cooperation with State agricultural experiment stations, agricultural colleges, and industry.

Working together as a team, we spent nearly \$900,000 in fiscal year 1954 on potato research. To a large extent we are guided by the Potato Research and Marketing Advisory Committee. This committee is made up of men who know potatoes, men who represent every phase of the industry.

Present research, of course, builds on the knowledge uncovered by past efforts.

For example, from 1948 to 1950 a study was made of grade quality and price relationships of potatoes in Boston, Philadelphia, and New York City. It showed that there were a high proportion of grade defects in the potatoes being offered to consumers. At about the same time the Department

conducted a study of consumer preference for potatoes throughout the United States. This study indicated that consumers wanted and were willing to pay for uniformly sized clean potatoes.

As an outgrowth of such earlier studies specific research projects have analyzed the effect of washing, sizing, and sorting according to specific gravity upon the sales of potatoes in Boston and other important eastern markets. The findings are that consumers will pay more for potatoes graded for the purpose to which they are best suited—baking, boiling, or frying. These studies are being continued in retail stores in Syracuse this year.

The idea is to find out what Mr. and Mrs. Consumer want—then give it to them. It has taken agriculture a long time to learn what certain other industries have long known: the customer is nearly always right.

A year ago there were only a handful of potato washers in use in Maine. Now there are more than 100. I congratulate you on this excellent start toward a much-improved marketing practice.

We want to know more about the development of improved facilities, equipment, and handling methods for storing and packing. This work is just getting underway in Maine. It is being carried out cooperatively between the Maine Agricultural Experiment Station and the Department. Last fall a field station was established at Presque Isle where a research team of engineers, physiologists, and economists are working together on studies to reduce the costs of handling and packing potatoes and to reduce damage during distribution.

We are studying what happens to potatoes when they are stored at different temperatures. We want to find out the best way to store potatoes so that acceptable qualities can be guaranteed to the consumer.

In January and February last year we studied ways of protecting Maine potatoes against freezing when shipped by rail. The efficiency of various car heaters was investigated as well as preheating before loading and heating in transit.

We are working also on means of keeping potatoes dormant—preventing the sprouting that takes place along toward the end of the marketing season in late-crop potatoes. A number of sprout inhibitors have been tried and some of them show considerable promise of keeping potatoes dormant longer than is now possible and even at fairly high temperatures.

We are seeking facts on new and better ways to use potatoes, both as human food and for livestock and industrial uses.

We are giving special attention to the cause and control of market diseases. We want to know why potatoes sometimes turn gray or even black after cooking. We are keenly interested in all phases of potato processing technology.

We all know what improved processing has done for the citrus industry. And we have seen some of the results that can be obtained through processing of potatoes. Out of the total quantity of potatoes used each year for human consumption in the United States, over 40 million bushels or about 15 percent are processed potato products. In 1940, by comparison, such products accounted for the annual use of only about 2 percent, or 5.4 million bushels out of the total quantity consumed for food. This could be only the beginning of a new and growing market.

For example, the manufacture of potato chips has become an important industry. It takes almost two-thirds of the total quantity of potatoes processed each year. The success of the chip industry can be credited largely to USDA research which has helped the industry determine the best varieties of potatoes for chips, the storage temperatures at which they yield the best product, and methods of conditioning and

processing, including cooking temperatures, oils used in cooking, and their effect on the end product. Further research was conducted last year on potato chip bars.

The use of prepeeled potatoes, especially by restaurants, is growing rapidly and there is room for far greater expansion. In an effort to appraise market outlets, a survey of United States firms marketing peeled potatoes was completed last August. There were 118 firms marketing peeled potatoes, and using about 3¼ million bushels of potatoes. In the East your Chef Special brand was favorably received by potato peeling firms and restaurants.

Maine has three potato food processing plants where frozen prepared potatoes are processed. The majority of frozen french-fried potatoes have been processed in Maine. This food item has been so well received that it is one of the most popular frozen vegetables.

Potato granules are a relatively new product on which considerable basic research was done by USDA last year and will be continued in 1955. They have possibilities for mass feeding and military uses. They could become a top item in processed potatoes.

Drum drying of potato flakes is a relatively new process on which experiment was emphasized in the past year because it holds greater promise than present procedures as a commercial method.

Pilot plant experiments using a double drum drier turned out flakes that can be made into mashed potatoes with texture, color, and flavor comparable to that of a high-grade baked potato. Future work on this product will investigate its storage stability, means of preventing off-flavors, use of emulsifiers, and other agents to upgrade lower solids content potatoes, and methods of cutting the product to produce flakes of uniform size.

Research went forward last year on potato puffs, an item in which consumer interest seems to be growing.

The Potato Research and Marketing Committee is especially interested in expanding extension programs of consumer education. The committee has suggested that extension increase its activity in training wholesalers, retailers, and secondary suppliers in better merchandising, and at country points, working with producers and marketing agencies on marketing methods and organization. The extension service in Maine, as you may know, has done an outstanding job in this whole field.

I hope you will not conclude that because I have devoted quite a lot of attention to marketing research, we are not interested in production research. We are interested—intensely so. We must continue to study and improve disease-resistant varieties. We must learn more, and yet more, about the best uses of insecticides, fungicides, and herbicides. Often it takes a long time to produce a new potato variety—and disease will not wait while we study. Potato breeders spent 14 years in developing the new Saco variety that was released last year.

Maine is the leading producer of certified seed. In order to improve the quality of your seed potatoes, your seed certification officials and producers pioneered in improving your foundation seed program by actually planting the foundation seed in Florida, thereby checking freedom from disease under field growing conditions. To further this program, you went still further and your State department of agriculture acquired a seed farm far off in the woods to insure isolation from other fields and to minimize the possibilities of subjecting them to disease.

We must push forward with research to lower costs of producing potatoes. Here in Maine you require from 30,000 to 40,000 pickers to harvest your crop. Wage rates, I am

told, have tripled since 1943, so that the total harvest cost alone is as much as the price for which the entire crop has sometimes been sold. Mechanical advancements in potato harvesting seem to have lagged far behind progress in some other areas of agriculture.

Now I would like to sum up the fundamentals of this discussion by repeating again our intention—no, more than that, our determination—to do our utmost to help you build the strong and prosperous agriculture you want to have. Yes, our goal is a stable, prosperous, and free agriculture.

Today I pledge anew to you and to all of our farm people that I will never knowingly sponsor or support any policy or program which I believe is not in the best interests of our farmers and all of our people, regardless of political pressure.

You have problems, serious problems—let us all face that fact.

But the road leading to the solution of those problems seems fairly clear. Let us all work together toward the stabilization of the potato industry by adjusting production as well as possible to demand. Let us use the programs and services available for orderly marketing, for credit requirements, and for diversification. Let us push forward with research—especially marketing research—as the best long-term method of providing the facts upon which a better future can and will be built.

And let us always remember this solid truth:

The basis of a sound future in agriculture depends primarily upon what the farmers actually do for themselves. Programs originating in Washington can help to guard against economic pitfalls. They can provide information and technical knowledge to advance the frontiers of agricultural know-how. But the big job, the important job, the basic job, has always had to be done on the farm by the farmers themselves—and it always will.

Let us summon our strength to meet the challenge that confronts us. With God's help we shall succeed.

#### FORTY-FIFTH ANNIVERSARY OF BOY SCOUTING IN AMERICA— NATIONAL BOY SCOUT WEEK

Mr. CARLSON. Mr. President, this week we observe the 45th anniversary of Boy Scouting in the United States. In this country there are 2,765,000 Boy Scouts, and approximately 1 million leaders who are giving their time in behalf of the Scout program.

I wish to extend my congratulations and best wishes to all of them on this occasion. As a member of the advisory committee of the Coronado Council of the State of Kansas I feel signally honored in having the privilege to make this statement. I know of no program that is doing more to promote clean living, Christian ideals, and good citizenship among our boys than Boy Scouting. Here I desire to recite the Boy Scout oath:

On my honor I will do my best to do my duty to God and my country and to obey the Scout law; to help other people at all times; to keep myself physically strong, mentally awake, and morally straight.

Mrs. SMITH of Maine. Mr. President, it was my privilege the other day to be presented with a Boy Scout badge—truly an honor—for there is nothing more pleasing than to have the confidence of young Americans.

This is Boy Scout Week. And the story of Boy Scout Week is told very well in a letter written to me by Tiger Conroy, a Cub Scout from St. Michael's School in Silver Spring, Md.—the young man who last week made the presentation of the Boy Scout badge to me.

I think the Members of this body would enjoy reading Tiger's letter, and so I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SILVER SPRING, Md., February 4, 1955.  
Senator MARGARET CHASE SMITH,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR SMITH: The following is a copy of my presentation speech which you asked me to jot down for you.

I am Cub Scout Tiger Conroy, from St. Michael's School in Silver Spring, Md.

During Boy Scout Week, February 6-13, the Boy Scouts of America are celebrating their 45th anniversary. As a representative of the Boy Scouts of America, we want you to join in our celebration by wearing this Scout badge during Boy Scout Week.

The Boy Scouts of America was chartered by Congress in 1916. Next week, Boy Scout Week, our Nation will honor its 3 million Scouts and leaders. In 45 years, more than 20 million men and boys have been members of the Boy Scout organization. Many of these boys have grown to become outstanding leaders.

The National Capital Area Council, which I represent, has a membership of 29,000 boys and over 11,000 adult leaders. We want you to say "Happy birthday" to the Boy Scouts of America by wearing this Scout badge during Boy Scout Week.

As a personal request, may I ask you to wear this pin in memory of my dad, who was born and educated in Portland, Maine, and, "in my books," was another grand person from the State of Maine.

Thank you, Senator, for your time and kindness. I am enclosing copies of the pictures which were taken in your office.

Very sincerely,

TIGER CONROY.

Mr. HUMPHREY. Mr. President, I wish to join with my colleagues who have today expressed themselves in behalf of the Boy Scouts of America and of the week which has been dedicated to this splendid youth organization.

It has been my privilege for several years to be active in Scout work, and some years earlier to have been a scoutmaster for 6 years.

I look upon the Boy Scouts of America as the true answer to the so-called totalitarian youth movements of the Iron Curtain countries.

The Boy Scouts represent a national organization which develops good character and the other attributes of manhood second to none.

I feel that the American people owe this organization a great debt of gratitude. I hope the mothers and fathers of America will give more of their time and assistance to this outstanding group of young men, and to those who participate as their counselors and leaders.

Those who live in the District of Columbia and in the surrounding States are fortunate to have a growing Boy Scout organization.



I take particular pride in the Boy Scouts because only last week my 12-year old son received his second-class scout badge. I have an 11-year-old who will become a tenderfoot within a month.

### STATEHOOD FOR ALASKA

Mr. MURRAY. Mr. President, on January 6, 1955, I introduced, for myself and on behalf of 25 other Senators, S. 49, a measure to enable Hawaii and Alaska to obtain statehood. In introducing the measure I had occasion to refer to the book, *The State of Alaska*, recently written by the distinguished former Governor of Alaska, the Honorable Ernest Gruening. I think all Members of the Senate will agree that Governor Gruening qualifies as an expert on Alaska and on statehood.

The statehood bill is under active consideration by the Senate Committee on Interior and Insular Affairs, hearings having been scheduled to begin a week from Monday, February 21. Therefore, I am certain that all Members of the Senate will be interested in the review of *The State of Alaska*, by Father Paul C. O'Connor, which appears in the February 5, 1955, issue of the weekly magazine *America*. I feel certain that all of the Members of the Senate know that *America* is a leading Jesuit weekly which is widely read and widely respected.

Therefore I ask unanimous consent that Father O'Connor's review of this timely study by Governor Gruening be printed at this point in the RECORD.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

#### THE STATE OF ALASKA

(By Ernest Gruening, Random House, 606 pages)

I think this is the first book that has ever been written about Alaska as Alaskans really see it. They have many grievances against both the policy of the Federal Government and absentee ownership. Alaskans have voiced their criticism in a thousand ways, but now, for the first time, we have a well-documented and incisive account of the whole history of Federal mismanagement. This short-sighted policy has gone on from the beginning and still paralyzes our great territory.

Former Governor Gruening knows his Alaska from top to bottom. I have met him time and time again in the most out-of-the-way places in Alaska. During his long tenure, of office, 14 years, he has studied it at firsthand from every possible vantage point. Mines, fisheries, lifelines, health conditions, housing problems, native claims, failure of law-enforcement, and, finally, Alaska's undying demand for statehood—all are given studied and revealing attention. The sources investigated are amazing.

This definitive history of America's northernmost frontier should interest every Member of Congress. From many intimate conversations with the former Governor I have always felt that his keen mind was ever seeking the best interests of Alaska. What I failed to realize until I read this book, was that all his ideas were backed up by a scholarly study of governmental policies from the time of our acquisition of Alaska from Russia.

This is a book I have no hesitation recommending to all students of politics, as well as to those interested in a well-documented

history of Alaska. Its case against the Federal Government is difficult to refute. Given statehood, it would be almost impossible to mismanage Alaska as woefully as Congress has done. I was especially happy that Mr. Gruening has given the proper niche in history to two stalwart statesmen—delegates Anthony J. Diamond and Edward L. "Bob" Bartlett.

PAUL C. O'CONNOR.

Mr. MURRAY. Mr. President, in connection with Governor Gruening's book, the Senate will be interested to know that it was cited by the Supreme Court of the United States in the opinion handed down only yesterday in the Tee-Hit-Ton case. In the dissenting opinion written by Mr. Justice Douglas, in which the Chief Justice and Justice Frankfurter concurred, Governor Gruening was referred to as "our foremost Alaskan authority," and his book, *The State of Alaska*, is quoted at some length.

### THE PRESIDENT'S MESSAGE ON EDUCATION

Mr. GOLDWATER. Mr. President, today the President has sent to the Congress his message on education, and the Senator from New Jersey [Mr. SMITH], along with others of us, has joined in proposed legislation to bring about the objectives of the President in this matter.

While I am a cosponsor of the bill, that does not diminish my belief that the Federal Government should enter this field only in an emergency way, to help the States to build the schools which they need. I feel that much can be done within the States that has not been done, and I feel, further, that the Federal Government can be of assistance to the States by seeing to it that lands and properties are not removed from the tax rolls. This is a situation which has had the effect of causing the States to lose large sums of money, thereby creating not a small part of our school problem.

My staff has made a study of this matter covering a period of several months, and I ask unanimous consent that there be printed in the RECORD at this point in my remarks several documents prepared by the staff, namely:

First. The Problem.

Second. Outline of All Proposals.

Third. Letter to Meyer Kestnbaum, chairman, Commission on Intergovernmental Relations.

Fourth. Tabulation of Amounts in 1954.

Fifth. Staff Research Showing Changes.

Sixth. Properties Exempt in Arizona.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

#### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE.

HON. BARRY GOLDWATER,  
*United States Senate.*

DEAR SENATOR GOLDWATER: We are enclosing herewith information which Mr. Donald Coover requested from Mr. Claude M. Hirst of this office by telephone today.

This contains a list of the properties which have been claimed by school districts in the State of Arizona under Public Laws 815 and 874 for the fiscal year 1954. We are giving

the location of these properties, the number of acres and the estimated taxable value.

I hope this information will be useful to you. If there is any other way in which we can be of assistance to you please let us know.

Sincerely yours,  
B. ALDEN LILLYWHITE,  
*Associate Director for Federally  
Affected Areas.*

### THE PROBLEM

We submit that there is no single, overall solution to the problem of education in the United States. Therefore, this means that several plans will have to be put into operation, both to meet the immediate needs of school construction and to handle the long-range problem of a growing population.

School financing is one phase of this gigantic problem, but it is a very important one. The major basis of financing education has been the property tax. However, since funds from this source have continued to be diverted to other uses, the income has declined. We do not deplore the other services which these funds have helped develop, but we do deplore the removal of property from tax rolls by the Federal Government, especially when that same property is used for commercial purposes.

An estimated total of more than 62 million acres of land is now being claimed by school districts for funds under Public Laws 815 and 874. The overall total of Federal land taken off the tax rolls of school districts would far exceed this. But this 62 million acres would return more than \$307 billion to the school districts, if taxed at the average annual rate.

Therefore, it becomes increasingly obvious that Congress must take action to remedy this situation whereby commercially-used Federal properties escape taxes, while schools suffer for lack of a proper tax base.

The Commission on Intergovernmental Relations is expected to release its report by June 1, and this problem of Federal-State relations is among many which will be considered. Congress should take positive action, bearing in mind the recommendations of the Commission and of previous hearings before Congress, which have been stalemated due to lack of adequate research on the matter.

Congress has several alternatives—direct tax payments, "in lieu" payments, direct payments or "in lieu" payments to the States which would then allocate the funds locally and continuation of Public Laws 815 and 874. Actually, these are more than alternatives, they are supplementary, since they may meet different problems in different areas. The choice of one should not eliminate the use of another.

Although this may solve the problem in just one-fourth of the federally-impacted school districts, long-range planning demands that commercially-used Federal property pay its full share of taxes—taxes that will be another step forward in meeting the educational demands imposed upon a Nation by a growing population.

#### COMPENSATION OF LOCAL TAXING AUTHORITIES FOR FEDERALLY OWNED LAND AND FOR OTHER FINANCIAL BURDENS IMPOSED BY THE FEDERAL ACTIVITIES

##### I. STATEMENT OF PROBLEM

How can the Federal Government best meet its responsibility for compensating local taxing authorities, particularly in school districts where land has been removed from the local tax rolls by Federal acquisition and where other financial burdens are imposed by Federal activities.

##### Comment:

A. In the passage of Public Law 874 and Public Law 815 Congress stated that it was

the policy of the Federal Government to compensate local educational agencies for burdens imposed on them by Federal activities in the manner and to the extent provided by these 2 acts.

B. If it is the policy to compensate local educational agencies for burdens imposed by Federal activity it could be generally agreed that the method proposed should produce the maximum local control in administering the compensation payments.

#### II. SUPPLEMENTARY PROPOSALS

A. Permit local taxing authorities to tax directly Federal property within its jurisdiction.

B. Provide for a payment in lieu of taxes to local public bodies on federally owned property within their jurisdiction.

C. Provide tax payments or payments in lieu of taxes to States for all Federal property in a State and authorize the State to allocate the funds to the local jurisdictions.

D. Continue Public Laws 874 and 815 in essentially the present form.

#### III. BACKGROUND FACTS

##### Current programs:

A. Public Laws 815 and 874 authorize payments for educational purposes only, not for other local governmental functions.

B. These acts place the Federal compensation generally in terms of:

1. Children living on nontaxable Federal property.

2. Children whose parents are employed on nontaxable Federal property.

3. Sudden and substantial impacts in school enrollments because of defense production.

C. The Federal payment is made to the school districts where the children live and attend school; not just those districts where the Federal property is located.

D. Payments in lieu of taxes for schools and other local services have been authorized for certain wartime constructed federally owned housing. Much of this housing is now being transferred from Federal ownership.

E. There are various other kinds of payments to local governmental units for federally owned land in connection with reclamation projects, forest lands, and game preserves.

F. These other Federal payments are deducted from entitlements of applicant districts under Public Law 874.

##### Experience under present legislation:

A. For the 1954 fiscal year there were 2,478 school districts eligible for assistance under Public Law 874 for payments on account of 849,271 children living on Federal property or living with a parent employed on Federal property.

1. There was federally owned property in 787 of these districts, or about one-third of the total.

2. These 787 districts had 502,000 children, or about three-fifths of the total claimed under section 3 of the act, but they received about four-fifths of the entitlements.

3. One thousand four hundred and thirteen districts, or two-thirds of the total, having no Federal property, received approximately one-fifth of the entitlement for about 40 percent of the children.

B. Applicants under Public Law 874 in the 1953 fiscal year claimed 2,034 separate Federal properties containing over 62 million acres with an estimated taxable value based on local rates of assessment at just under \$20 billion.

1. Applicants claiming children living on Federal property or living with a parent employed on Federal property received that year \$49,451,000 in Federal payments under the act.

2. This amounted to an average tax of 2.5 mills on the Federal property.

(a) The average tax on privately owned property paid for school purposes in the same districts was 15.6 mills. Had this tax rate been applied to the federally owned property it would have amounted to \$307 million.

C. Various bills to provide payments by the Federal Government of taxes or in lieu payments on federally owned property have been introduced and considered in the past 10 years. Most of the bills that have been introduced restrict Federal payments to certain kinds of federally owned property or to property acquired within specified periods of time, or place other restrictions which greatly narrow the scope of the Federal payments.

D. Hearings were held by subcommittees of the Committee on Government Operations in both the House and Senate last year on bills related to this problem.

1. The House Report No. 1217, lists four major reasons why uniform policies in this regard should be developed.

2. It further indicates that the executive departments opposed enactment of the bill and stated that these objections although meritorious do not in the judgment of the committee outweigh the hardships imposed on municipalities because of loss of revenue due to Federal activities.

E. The Senate Report No. 1966, indicates that meetings were held by the Subcommittee with the Commission on Inter-Governmental Relations and with the Bureau of the Budget, and that various Federal agencies were asked for their comments on the proposed legislation.

The Commission on Intergovernmental Relations advised the committee that it did not deem it proper to comment on the legislation.

2. The Bureau of the Budget and other Federal agencies advised the committee that pending review of the forthcoming report and comments of the Commission on Intergovernmental Relations no determination had been made with respect to the relationship of the proposed bill to the President's program. No action was taken by the Congress on these proposals.

#### IV. PROS AND CONS OF THE VARIOUS PROPOSALS

##### A. Direct taxes:

###### Pros:

1. A direct tax by the local taxing authority on federally owned property would be the most direct approach and the simplest to administer.

2. It would place the administration directly in the local governmental agency and remove any threat of Federal domination or interference.

3. It would permit districts to bond on the basis of this Federal property for school-house construction.

###### Cons:

1. It makes no provision to take care of the impact caused by an increase in population due to Federal activities in those cases where these new families live and go to school in a different place from the one in which the Federal property is located.

2. It may encourage gerrymandering of school districts or other local jurisdictional boundaries.

3. It would increase the cost to the Federal Government for school purposes alone over the cost under Public Law 874 by 5 or 6 times.

##### B. Payments in lieu of taxes:

The same general advantages and disadvantages apply to this alternative as to alternative A except that:

1. It would be less direct in its administration, and school districts could not issue bonds against the Federal property.

2. There would be some possibility of holding down the cost to the Federal Government.

C. Tax payments or payments in lieu of taxes to State governments for allocation to local units.

##### Comment:

Under this proposal the Federal Government would pay to the States tax on federally owned property located within the State. The amount of such tax could be the average tax rate for school purposes in all school districts in the State applied to the value of all Federal property in the State, or the actual tax rate in the various school districts applied to the assessed value of the federally owned property in that school district. The States would then allocate funds to the communities on either of the following bases—

1. On basis of need as determined by State, or

2. On basis of Federal property located in each municipality, or

3. On the basis of the Federal impact as evidenced by federally owned land and increased population.

##### Pros:

1. This method could eliminate the difficulties inherent in a direct tax payment which goes only to those districts where Federal property is located, by allocating funds to districts experiencing severe increases in population because of Federal activities, but having no Federal property.

2. This method would probably eliminate the desire to gerrymander school-district boundaries in order to get a piece of the federally owned property.

3. It could result in a uniform tax rate on all Federal properties in a State and prevent imposition of excessive tax rates by some districts.

4. It would reduce the number of jurisdictions with which the Federal agency had to deal on a tax payment, or payment in lieu of taxes basis.

##### Cons:

1. It would remove administration of the program one step above the local government level.

2. It could result in reduction of State appropriations for various local purposes.

3. It is conceivable that the funds could be diverted from districts having Federal property and other federally caused burdens to other financially distressed districts.

4. It could result in encouraging Federal agencies to hold large tracts of land in order to get tax payments from the Federal Government. (This also would apply to the first three alternatives.)

D. Continue Public Laws 815 and 874 in essentially the same form as at present:

##### Pros:

1. Public Laws 815 and 874 distribute the Federal payment in such a manner as to meet the whole impact caused by Federal activities of school districts.

2. This method probably would cost the Federal Government less money than any of the other alternatives.

3. They are in existence and have operated successfully.

##### Cons:

1. They are extremely complicated pieces of legislation and difficult to understand.

2. They require direct Federal-local administration.

3. They contain some undesirable features primarily because of temporary extension.

JANUARY 27, 1955.

**MEYER KESTENBAUM,**  
Chairman, Commission on Intergovernmental Relations, General Services Administration Building, Washington, D. C.

DEAR MR. KESTENBAUM: It is my understanding that the Commission on Intergovern-



mental Relations, under your capable leadership, is currently studying the problem of the removal of properties from State, county, school, and local tax rolls by the Federal Government.

As you know, the removal of these properties from the tax rolls has resulted in a serious problem for many areas, including my own State of Arizona. In the case of schools, these areas are faced with a large and continually increasing student population, but with insufficient amounts of property remaining for providing revenue through property taxation.

It is my sincere hope, therefore, that the Commission, through its study groups, will arrive at some solution consistent with the highest aims of Federal-State relations, in which proper remuneration will be given the school districts through 1 or 2 methods. The two alternatives are "in lieu of property tax" payments to local communities or direct tax payments by the Federal agency or department administering the property or non-governmental person or firm making use of such Federal property, as in the case of defense production facilities.

My research into this question indicates that such a move would solve the problem of school funds for more than one-fourth of the Federally-affected areas in the Nation. This would enable the local school district to retain full control of its own educational facilities, thereby halting the threat of Federally-controlled education. I personally prefer placing all commercially-used properties on the tax rolls, but I am amenable to the "in lieu" payments if you should judge this to be the better course.

In my State of Arizona alone, the latest available figures show that more than 29 million acres, with an estimated taxable valuation of more than \$518 million, have been taken off the tax rolls by the Federal Government. This includes defense facilities, Indian reservations, national parks, reclamation projects, and Federal office buildings. In the United States as a whole, property taken off the tax rolls by the Federal Government is valued at nearly \$20 billion and would yield more than \$300 million in taxes.

I fully realize that certain safeguards must be provided in any legislation to make certain that the funds reach the school districts which are federally affected and that certain necessary Federal functions are not disturbed, as well as the fact that the Federal Government should not completely lose its immunities from local taxation in all cases. However, I firmly believe that all commercially used properties taken off the tax rolls by the Federal Government should be placed back on these rolls.

As you know, several bills in this field of taxation have been introduced in previous Congresses, and progress on such legislation is now awaiting the results of the report of the Commission on Intergovernmental Relations.

I sincerely hope that the Commission's report will reaffirm the right of the local school district to govern itself and to tax properties within its district in order to provide the type of schooling that is so essential to the continuing growth of our Nation, without the hindrances imposed by a system of Federal tax immunity which has grown beyond all the bounds of its original scope.

My thanks to you for your consideration of this vital problem which so greatly affects us all.

With kindest regards, I am,

Sincerely,

BARRY GOLDWATER.

TABLE 10.—Estimated amount eligible Federal property claimed by sec. 3 applicants would yield if taxable at average local rate, number and acreage of such properties, estimated taxable value, gross entitlements, and tax rates

State	Eligible Federal properties claimed by applicant school districts		Estimated taxable value of Federal property based on local rates of assessment	Gross entitlements under subsecs. 3 (a) and 3 (b), Public Law 874, for 1953	Local tax (in mills) required on Federal property to equal Public Law 874 entitlement	Average local school tax in mills	Estimated amount Federal property would yield if taxable at average rate
	Number of properties	Number of acres					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alabama	45	551,957	\$485,537,249	\$562,051.03	1.2	8	\$3,884,298
Alaska	31	742,383	609,388,395	322,574.22	.5	10	6,093,884
Arizona	41	11,126,299	418,961,707	447,493.71	1.1	19	7,960,272
Arkansas	26	1,667,179	263,936,748	375,190.80	1.4	20	5,278,735
California	327	9,266,915	1,582,339,595	11,640,989.29	7.4	12	18,988,075
Colorado	46	1,845,989	270,803,389	1,380,205.88	6.1	14	3,791,247
Connecticut	37	2,237	84,678,835	1,164,078.97	13.7	14	1,185,504
Delaware	1	417	1,142,152				
Florida	54	621,203	377,281,401	988,721.08	2.6	15	5,639,221
Georgia	47	681,118	599,262,184	1,021,670.92	1.7	14	8,389,671
Hawaii	35	51,556	487,204,303	958,170.56	2.0		
Idaho	25	4,760,817	84,031,149	269,750.91	3.2	23	1,932,716
Illinois	24	65,892	579,811,151	1,269,858.42	2.2	10	5,798,112
Indiana	23	199,902	630,238,605	684,121.28	1.1	18	11,344,295
Iowa	4	19,780	64,922,000	193,175.33	3.5	39	2,141,958
Kansas	28	128,096	597,753,450	2,472,609.47	4.1	12	7,173,041
Kentucky	29	456,958	479,116,543	905,388.78	1.9	14	6,707,632
Louisiana	15	713,614	147,849,750	165,343.41	1.1	10	1,478,498
Maine	31	19,130	136,107,310	345,640.73	2.5	27	3,674,897
Maryland	78	113,982	673,047,236	1,283,596.68	1.9	10	6,730,472
Massachusetts	24	43,518	428,057,223	501,639.68	1.4	16	6,848,916
Michigan	35	48,854	234,413,065	558,498.31	2.4	11	2,578,544
Minnesota	6	593,537	77,943,216	66,490.42	.9	6	467,659
Mississippi	16	12,998	56,815,228	330,881.27	5.8	17	965,599
Missouri	30	588,661	375,015,305	490,588.00	1.3	22	8,250,337
Montana	17	3,280,432	46,847,174	205,050.20	4.4	36	1,686,498
Nebraska	29	140,371	198,655,440	610,635.87	3.1	26	5,165,041
Nevada	15	4,173,652	126,770,792	457,520.31	3.6	7	887,396
New Hampshire	4	3,189	4,071,281	31,434.93 (305,600.13)	7.7	26	105,853
New Jersey	40	73,388	332,215,590	893,781.66	2.7	37	12,291,977
New Mexico	17	3,135,148	145,956,281	269,312.34	2.1	7	1,021,694
New York	69	149,263	435,005,124	785,197.91	1.8	20	8,700,102
North Carolina	20	261,398	130,261,137	216,386.68	1.7	13	1,693,395
North Dakota	10	347,886	28,249,680	160,118.22	5.5	35	1,023,739
Ohio	61	56,944	335,596,248	1,809,285.79	4.6	11	4,351,559
Oklahoma	35	310,440	370,772,828	1,780,219.52	4.8	21	7,786,229
Oregon	27	2,996,561	447,964,892	363,200.74	3.8	38	17,022,666
Pennsylvania	72	58,129	333,391,780	1,109,115.52	3.4	21	6,791,227
Rhode Island	12	5,822	122,273,804	497,901.00	4.1	11	1,345,012
South Carolina	31	230,363	1,227,261,425	827,293.48	7.7	28	34,363,330
South Dakota	19	368,542	59,607,633	453,273.01	7.6	31	1,847,837
Tennessee	28	141,985	792,680,400	334,254.78	4.4	14	11,067,526
Texas	133	2,578,157	1,699,139,312	3,269,985.40	1.9	8	13,593,114
Utah	22	2,327,494	314,718,339	567,719.56	1.8	16	5,035,493
Vermont	6	12,729	9,776,320	49,558.82	5.1	28	773,737
Virginia	97	314,245	1,268,092,299	4,100,523.15	3.2	18	22,825,661
Washington	140	4,940,331	1,299,240,468	1,576,293.12	1.2	14	18,189,367
West Virginia	3	821	39,100,000	27,841.33	.7	16	625,600
Wisconsin	5	68,028	142,146,000	218,888.98	1.5	14	1,990,044
Wyoming	22	1,957,263	31,194,044	3,042.54	.1	10	311,940
Total	2,034	62,255,663	19,727,645,480	49,451,253.14	2.5	15.6	307,349,870

<sup>1</sup> Represents entitlements paid New Hampshire claimants under Public Law 11 (83d Cong.) for children living in New Hampshire but connected with property in Maine. Excluded from calculation of tax required.

#### ESTIMATED AMOUNT OF ELIGIBLE FEDERAL PROPERTY CLAIMED BY SECTION 3 OF PUBLIC LAW 874 APPLICANTS WOULD YIELD IF TAXABLE AT AVERAGE LOCAL RATE, NUMBER AND ACREAGE OF SUCH PROPERTIES, ESTIMATED TAXABLE VALUE, GROSS ENTITLEMENTS, AND TAX RATES

Latest figures for the United States, according to my research.

Two thousand seven hundred and six properties, compared to two thousand and thirty-four for the previous annual report of the Office of Education of the Department of Health, Education, and Welfare.

One hundred and five million six hundred twenty-two thousand and sixty-four total acres, compared to sixty-two million two hundred fifty-five thousand six hundred and sixty-three for the previous report.

An estimated taxable value of \$22,492,761,859 based on local rates of assessment, compared to \$19,727,645,480 in the previous report.

A local tax of 2.9 mills required on Federal property to equal Public Law 874 entitlement, compared to 2.5 mills in the previous report.

An average local school tax of 15.6 mills, compared to 15.6 mills previously.

This property would bring an estimated \$348,165,504 if taxed at the average rate, compared to \$307,349,870 in the previous report.

For my State of Arizona the totals are: Sixty-nine properties, compared to forty-one previously.

Twenty-nine million two hundred thirty-one thousand one hundred and thirty-five acres, compared to eleven million one hundred twenty-six thousand two hundred and ninety-nine.

An estimated taxable value of \$508,317,047 based on local rates of assessment, compared to \$418,961,707.

A gross entitlement under subsections 3a and 3b of Public Law 874 for 1954 of \$528,455.52, compared to \$447,493.71 for 1953.

A local tax of 1 mill required on Federal property to equal Public Law 874 entitlement, compared to 1.1.

An average local school tax of 19 mills, compared to 19 mills.

This property would bring an estimated \$9,658,024 if taxed at the average rate, compared to \$7,960,272 previously.

Information regarding federally owned property in the State of Arizona located in or near school districts that are applicants under Public Laws 874 and 815 during the 1954 fiscal year

Name of property	Location	Number of acres	Estimated taxable value	Name of property	Location	Number of acres	Estimated taxable value
All American Canal, Gila project	Yuma	19,300	(1)	One Forty West Monroe Bldg.	Phoenix	(2)	73,575
Apache National Forest	Springerville	677,823	\$10,272,522	Navaho Indian Reservation	Window Rock	10,812,884	\$75,690,188
Avondale Circle No. 2038, No. 2355, P.H.A.	Avondale	(2)	133,392	Navaho Homes, Inc., No. 123-80006, F.H.A.	Flagstaff	35	(1)
Border patrol station	Tucson	(2)	10,000	Navaho Ordnance Depot	do	28,426	10,536,000
Camp Verde Indian Reservation	Camp Verde	476	6,525	Naval Air Facility	Phoenix	658	15,035,000
Casa Grande National Monument	Coolidge	473	226,362	Naval and Marine Corps Training Center	Tucson	(2)	14,387
Catalina Federal Prison Camp	Tucson	20	230,060	Neighbors Village 1-D-1, 1-D-2	Yuma	18	(1)
Coconino National Forest	Coconino and Yavapai Counties	1,830,470	12,813,290	Padre Garces Homes	do	(2)	15,322
Colorado River Indian Reservation	Parker	294,800	35,000,000	Papago Indian Reservation	Pima County	2,855,920	1,750,000
Consolidated dwellings No. 2027, P.H.A.	Tucson	(1)	107,855	Parker Dam power project	Mesa	13	2,545,580
Coronado National Forest	Pima and Pinal Counties	1,982,721	220,000	Petrified Forest National Monument	Holbrook	85,303	(1)
Courthouse	Phoenix	(2)	500,000	Pima Indian Reservation	Chandler	31,000	1,175,000
Customhouse	Yuma	1	10,050	Pinel District ranger station	Globe	4	5,000
Davis Dam project	Bullhead City	1,000	24,825,000	Post office	Phoenix	(2)	500,000
Davis-Monthan Air Force Base	Tucson	6,575	20,000,000	Post office and courthouse	Tucson	(2)	200,000
Davis-Monthan Air Force Base	do	89	5,001,770	Post office	Yuma	(2)	167,521
Wherry Housing No. 123-80000-80007	do	21	46,415	Reclamation substation	Coolidge	40	2,509,750
Davis-Monthan Dwellings No. 2025	do	21	46,415	Reclamation houses	Yuma	(2)	83,125
Fort Apache Indian Reservation	White River	1,664,872	11,654,104	Reclamation substation	Tucson	(2)	10,000,000
Fort Huachuca	Fort Huachuca	33,713	10,000,000	Rincon Vista	do	22	800,000
Gila project (Wellton-Mohawk division)	Wellton	115,000	575,000	Salt River Valley project	Phoenix	(2)	200,000,000
Gila River Indian Reservation	Sacaton	372,022	2,526,000	San Xavier Indian Reservation	Tucson	29,352	205,464
Grand Canyon National Park	Grand Canyon	604,809	650,000	Sitgreaves National Forest	Holbrook	808,237	5,657,659
Grand Central Electronics Bldg	Tucson	1	100,000	Sky Harbor Airport	Phoenix	(2)	2,000,000
Hopi Indian Reservation	Mesa	631,291	5,000,000	Tonto National Forest	Mesa, Maricopa Counties	2,410,508	1,071,800
Hualapai Indian Reservation	Yavapai County	997,045	837,305	Veterans' Administration Hospital	Phoenix	27	2,040,000
Hughes Aircraft Co. plant	Tucson	2,560	2,952,205	Veterans' Administration Center	Prescott	(2)	500,000
Indian Hospital	do	1,280	1,024,000	Veterans' Administration Hospital	Tucson	(2)	2,000,000
Indian Irrigation Service	Coolidge	400	11,770	Wenden manganese purchasing depot	Wenden	142	187,000
Indian school and hospital	Phoenix	476	2,200,000	Whipple Barracks	Prescott	60	(1)
Ingalls Victory Homes No. 2338	Yuma	(2)	27,573	Williams Air Force Base	Chandler	2,114,614	13,386,394
Katherine Wash ranger station	Katherine	160	50,500	Williams Air Force Base Housing No. 123-80001, 2, 3, 4, 5	do	(2)	1,102,500
Luke Air Force Base	Phoenix	384	12,946,000	Yuma County Airport	Yuma	(2)	4,000,000
Mesa Vista Homes No. 2063, No. 2337, P.H.A.	Yuma	20	108,084	Yuma Test Station	do	906,064	5,000,000
Mesa Vista Homes Annex 2-D-1	do	6	(1)	Total		29,231,135	518,317,047

<sup>1</sup> Taxable value unknown.

<sup>2</sup> Number of acres unknown.

### MONOPOLIES AND SUBSIDIES

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a copy of the GTA Daily Radio Roundup of Friday, February 4, 1955. I make this request because it shows that the Government has paid billions of dollars in subsidies, approximately \$16 billion since 1940 in connection with research, and that farm price supports in the same period have cost only a little more than \$1 billion.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

When President Eisenhower cancelled out the Northwest Airline's permit to fly to the Orient and to Hawaii, he put the spotlight on some things that have not generally been publicized. Monopolies and subsidies. The big airlines, for the most part, get substantial subsidies from Uncle Sam, and in many instances, it is important that they do as a means of improving airline service and national defense. But at the same time, there seems a definite trend toward a few big airlines monopolizing the business. Getting the best runs, best routes, into their hands (with Government approval, business is made in Washington, as well as prices).

It's the big squeeze. The biggest firms do the squeezing, and the little ones get the squeeze. According to newspapers, subsidies are increasing for the airlines which the President said would get the right to fly the Pacific air routes. And, oddly enough, Northwest Airlines, which lost out by Presidential order, says it would make these runs without Government subsidy, according to the newspapers.

Now what confounds us is not so much as to who is right or wrong, or what subsidies should be paid. What bothers us is that so many people and some editors keep complaining that farmers get subsidies, but

hardly a word is said about the out-and-out helping hand payments to other businesses from the Federal Treasury.

And when subsidies are necessary, they perform a good service. We don't quarrel with that idea. We just say subsidies should be judged by how much good they do, or don't do. You've heard a great deal of ballyhoo over TV and radio, and in the press, about how industrial research has improved your living standards and material welfare. It has. But who pays for it? The industries? They do pay for part of it, but only about half. You, the taxpayers, pay the rest of the research bill. And all to our mutual good.

This is what Newsweek magazine says about subsidies for industrial research: "The United States Government, these days, supports about half of all the Nation's research and development. The President's budget request for science for the fiscal year starting July 1 \* \* \* totals \$2,218,000,000." Of course, a lot of that is spent to develop new airplanes, guns, tanks, etc. But then the blueprints are turned over to industry along with profitable contracts for manufacture.

Since 1940, some \$30 billion has been spent on scientific and engineering research in industry. The Federal Government has paid more than half of that. The taxpayers have put up about \$16 billion. Yet, you hear little about this huge subsidy, and you hear a lot about the much smaller sum spent on supporting prices on basic farm crops at 90 percent of parity.

Let's compare the costs of these two programs to the Government, industrial research on the one hand, farm price supports on the other. We've already said that the Government has subsidized research to the tune of \$16 billion since 1940. Farm price supports in that same period have cost only a little more than \$1 billion. Sixteen billions for industrial research, one billion for farm price supports.

Don't think that we are complaining about the money spent on research. We aren't.

It was money well spent for a good purpose. But we think the farm price-support money was also well spent. We don't like to see farmers raked over the coals by press, radio, and high Government officials just because they got one-sixteenth of the financial help that industry got for research alone.

Certainly a healthy agriculture, producing abundantly, is as important to the Nation as new and better machines of war and peace. This is GTA, the co-op way.

### PROBLEMS OF THE POULTRY INDUSTRY

Mr. LANGER. Mr. President, I have received a letter from Mr. and Mrs. Lynn Springer, of Wyndmere, N. Dak., which I ask to have printed in full, together with a copy of a letter from Lloyd A. Oppenrud, of Oppy's Hatchery & Produce. I wish to read one paragraph of his letter:

Prices at the farm today all over the great Central States on poultry and eggs are so far below cost of production and, in fact, are at ruinous levels as far as the farmer is concerned. Values at the farm are below the disaster level. They are, comparatively speaking, even lower than the depression prices of 1932 and apparently no more is being done about it today than was at that time. In my 15 years in this great industry I have never seen conditions worse for the poultry and egg farmer than they are today. Markets on medium size and small eggs are especially depressed at this time due to seasonal heavy production of these grades.

Mr. President, I ask unanimous consent that the remainder of the letter be printed in the RECORD at this point as a part of my remarks, together with the other letter to which I referred.



There being no objection, the two letters were ordered to be printed in the RECORD, as follows:

WYNDMERE, N. DAK., November 9, 1954.  
Senator LANGER.

DEAR SIR: Am sending you a copy of letter put out by our hatchery and produce man. The situation is very serious. Couldn't something be done about this? It has always been that when action was needed, you always do your best. So am hoping for a betterment in the poultry industry of this Midwest.

Yours truly,

Mr. and Mrs. LYNN SPRINGER.

WYNDMERE, N. DAK., October 21, 1954.  
Hon. EZRA T. BENSON,  
Secretary of Agriculture,  
Washington, D. C.

DEAR MR. BENSON: I am writing you about the serious plight of the poultry and egg farmer in the Midwest.

Prices at the farm today all over the great Central States on poultry and eggs are so far below cost of production and, in fact, are at ruinous levels as far as the farmer is concerned. Values at the farm are below the disaster level. They are, comparatively speaking, even lower than the depression prices of 1932 and apparently no more is being done about it today than was at that time. In my 15 years in this great industry I have never seen conditions worse for the poultry and egg farmer than they are today. Markets on medium-size and small eggs are especially depressed at this time due to seasonal heavy production of these grades.

It is my suggestion these fine quality medium-size eggs to be purchased for school lunches during the season they are in such heavy supply. In addition we suggest the Army pay for mediums on the basis of their true value instead of the unjust differentials they are now using. For example grade A mediums weigh only 5 pounds per case less than grade A large. It is obvious at present levels this grade based on the actual is worth within 5 cents per dozen of large eggs. Yet the Army is paying currently 20 cents per dozen less for mediums than for large eggs.

This means the farmer is receiving \$4.50 per case less than actual worth for these eggs. I consider it very unjust that a department of our Government would take advantage of our farmers in this way.

Prices on hens in the Midwest today range from 8 to 10 cents per pound. These prices are ridiculous. A large percentage of the hens sold move to market during October and November or when the farmer is making room for his new crop of layers.

I suggest Government purchases of dressed fowl during this period to eliminate the glut on the market. This fowl to be stored and sold in the season to stabilize prices.

The Midwest poultry and egg farmer feels he is the forgotten man in agriculture. Action is needed not next month or next year, but today. It is my candid opinion that if proper action had been taken just a few months ago this deplorable condition would not now exist.

No one expects a handout but if business can be protected by tariffs and subsidies, labor by a guaranteed minimum wage, surely the poultry and egg farmer is entitled to some consideration in his present serious situation.

Yours truly,

OPPY'S HATCHERY AND PRODUCE,  
LLOYD A. OPPERUD.

#### OBJECTIONS TO APPEARANCE BEFORE CONGRESS OF THE CHIEF JUSTICE OF THE UNITED STATES

Mr. LANGER. Mr. President, last Friday I appeared before the Judiciary

Committee and filed written objections to the proposal of the Senator from Wisconsin [Mr. WILEY] and the Senator from West Virginia [Mr. KILGORE] to invite the Chief Justice of the United States to appear before a joint session of the Congress. The press did not print my objections in full. Therefore, I wish to read them into the RECORD. I said at that time:

I appear before the subcommittee in opposition to this resolution.

The reasons are three:

First, during the 2 years that the present Chief Justice has been occupying that office, he has never once either asked to appear before the Judiciary Committee with any recommendations to improve the legal machinery of this country; nor has he sent any recommendations personally to that effect.

Secondly, to me this resolution smacks again of British internationalism and the aping of British custom by our American Government. The argument has been made that we should follow the British custom of having members of the Cabinet appear before joint sessions of Congress just as British ministers appear before Houses of Parliament.

However, I call your attention to the fact that in Great Britain they have no committees such as we have under our American procedure. In other words, in Great Britain, there is no judiciary committee to which the head of any judicial system could go and he, therefore, goes directly to Parliament.

In the United States, however, we have committees covering practically every important subject and even if the Chief Justice appeared before the joint session of Congress, whatever the recommendations might be, they in turn would be referred to the Senate Judiciary Committee or the House Judiciary Committee, or both.

It is therefore absurd to take the time of this Congress to listen to a speech on the part of either a member of the Cabinet, or the Chief Justice, when everything that he says will have to be referred to a committee anyway and would simply be a waste of time.

My third objection is that it sets a precedent which will likely result in members of the Cabinet sooner or later requesting the opportunity to be heard; with the result that we would not only have members of the Cabinet, but heads of the various departments asking to appear before joint sessions. As I said before, the proper way to handle the matter under our American system of government is to go directly to the appropriate committees.

Mr. LANGER. Mr. President, in connection with this matter, I ask unanimous consent to have printed at this point in the RECORD a letter dated January 18, 1955, and signed by John Marshall, addressed to the editor and published in the New York Times under the headline, "Selecting Federal Judges—Factors in Filling Vacancies in Judiciary Are Discussed."

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SELECTING FEDERAL JUDGES—FACTORS IN FILLING VACANCIES IN JUDICIARY ARE DISCUSSED  
TO THE EDITOR OF THE NEW YORK TIMES:

I was interested in reading the article by Arthur Krock on the plan proposed by one of my successors in Justice to put the Chief Justice before Congress. I note that John W. Davis favors the plan, which ordinarily would give me pause, but I am constrained to offer a mild dissent.

In my humble opinion it would be better if the Chief Justice and Associate Justices would make fewer speeches and engage in

fewer extracurricular activities. The television recently portrayed the Chief Justice leading a parade, and the papers here carried accounts of his participation in a dinner here awarding citations for prominent athletes.

Other Justices have written and spoken on their mountain-climbing achievements, presided at trials outside the country, and generally participated in many activities outside the law.

My view is that the best thing for the judiciary and the country would be the selection of better judges. The appointment of an inexperienced lawyer as a judge inevitably leads to a crowded docket.

It is fair to say that in recent years the advice of politicians rather than lawyers has been controlling in the selection of Federal judges. Mr. Davis and I were admitted to practice in the Federal Court of West Virginia by a judge who had been appointed by Lincoln and had served 50 years before his retirement. This is one illustration of the importance of getting the best possible man for this service.

One recent administration appointed a score of lame-duck Congressmen. In another the woman head of a national committee here proudly boasted in the press that she was responsible for a judicial appointment.

I can only speak of the administration of President Coolidge. Neither President Coolidge nor his Attorney General consulted the heads of the national committee but rather the Chief Justice, senior circuit judges, and bar associations. There is a popular misconception that because Senators have to confirm, they nominate the Federal judges. This was not true in President Coolidge's administration.

I know that there are presently committees of the American Bar Association and State and local bar associations which continue to make recommendations. It may well be that it is their fault that the recommendations go unheeded.

It is my opinion that the most logical field from which to select members of the Supreme Court is the Circuit Court of Appeals. It is unfortunate that great judges like Learned Hand, Orle Phillips, and Harold Stevens, just to name a few, have been passed over.

JOHN MARSHALL.

NEW YORK, January 18, 1955.

#### PUBLIC LAW 664—CARGO PREFERENCE LEGISLATION

Mr. BUTLER. Mr. President, in the closing days of the 83d Congress legislation was enacted to broaden and make permanent certain existing cargo-preference guaranties to the American merchant marine.

Public Law 664, signed by President Eisenhower on August 26, 1954, affirms a national policy, which had previously been proclaimed time and again by the Congress, of assuring to privately owned United States-flag merchant vessels of at least 50 percent of all oceanborne cargoes purchased for, or given away by, or financed by the Federal Government.

The policy thus incorporated into permanent legislation previously had been laid down in the Merchant Marine Acts of 1920, 1928, and 1936, and again in the Merchant Ship Sales Act of 1946. The substantial portion of the waterborne export and import foreign commerce which these acts called for as necessary to maintenance of an adequate, privately owned merchant fleet,

was made more specific in various military and foreign economic provisions of the past half century.

As far back as 1904 Congress legislated to require that "vessels of the United States and no others" were to be employed in the transportation by sea of coal, provisions, fodder, or supplies of any description, purchased pursuant to law, for the use of the Army or Navy.

Again, in 1934, Public Resolution 17, 73d Congress, required that all cargoes financed by the Export-Import Bank or any other instrumentality of Government should be carried in American bottoms. This resolution still is effective.

In the Economic Cooperation Act of 1948, and the ECA Amendments of 1949, the principle of "at least 50 percent" was adopted, and this interpretation of the policy of "substantial portion" was continued in the Korean Aid Act—Public Law 447, 81st Congress—and in all emergency aid and assistance acts since that time, as well as in the Mutual Security Act of 1951.

In all these enactments, it was provided that the 50-percent guaranty should apply only to the extent that such vessels were available at market rates. That same safeguard was included in Public Law 664.

Why is such a guaranty necessary? Why, from earliest time, has it been felt necessary to take specific measures to assure continued existence and operation of an adequate, privately owned merchant fleet? The reasons, basically, are quite simple.

As a maritime nation, America's progress and prosperity have always been possible only to the extent that shipping has been available to carry its products to foreign shores, and bring back the raw materials lacking here.

Furthermore, as a nation open to attack by water on more than half of its borders, and, more recently, because of the urgent shipping needs of our military forces in action, or in constant danger in stations in many parts of the world, certain facts regarding ocean transportation have become inescapable.

First. Peacetime needs require a merchant fleet capable of carrying our foreign commerce. Otherwise, our economy is at the mercy of foreign shipping, as bitter experience has proven.

Second. World Wars I and II, and the Korean hostilities, have given indisputable evidence that America's Military Establishment, or its defensive setup, cannot operate without a vast auxiliary of merchant shipping. We suffered in World War I, and the free nations were in extreme danger in World War II, because there was not adequate shipping available. Actually, it was not until the spring of 1945 that our Military Establishment could plan its strategic moves with entire confidence that sufficient shipping would be available. It is no secret that World War II was prolonged needlessly, with resulting additional losses in men and in national wealth, because our merchant marine was not nearly adequate to war's requirements.

With all this a matter of record, the third fact then becomes equally clear: namely, that United States-flag vessels cannot compete in the world transporta-

tion field—it cannot survive—without some aid from Government. Wages, supplies, safety requirements, all stemming from America's higher standard of living, give the low-cost foreign vessels an insurmountable advantage over American ships.

So we come to the nub of the problem—how best to aid American-flag vessels to meet this competition. Some have suggested that we entrust our commerce, and our national security, to the low-cost foreign vessels and stop worrying about how to meet their competition. But one does not hear any such suggestions from informed sources—such as military leaders who have to meet logistic requirements throughout the world, and industrial leaders who must depend upon the United States merchant fleet.

The military leaders have the experience of World War II and Korea fresh in their minds. Industry remembers its experience of years gone by. It remembers when ocean freight rates jumped as much as 2,000 percent, and when American cargoes rotted on docks everywhere because the foreign shipping on which reliance had been placed was nonexistent, or was too busy taking care of their own nations' need to bother about American commerce.

When it comes to a question of how to aid American-flag vessels, there can be only one truly sensible answer.

That answer is—cargoes. Shipping lives, and prospers, by the cargoes it carries. Deprived of those cargoes, as much of America's shipping has been lately, in the face of vastly increased foreign competition, shipping cannot survive. It was to fill this breach—which always will exist except in time of emergency—that the cargo-preference, or 50-50 policy, was devised. American shipping does not want hand-outs from the Government. It wants to earn its way, in the one manner that justifies the existence of shipping anywhere; namely, by carrying cargoes. And certainly it is not too much to ask that cargoes for our own needs, those which we give away, and those which we finance in one way or another, be divided equally as between our own shipping and that of other nations.

Opposed to the school of thought which would entrust our commerce to ships of foreign nations on a false "economy" basis, is another school which maintains that we should demand not 50 percent, but 100 percent of Government aid or financed cargoes, for our own flag vessels.

They point out that even with this 50-50 division, American-flag vessels have been carrying less—sometimes far less—than a third of our foreign commerce. On the other hand, foreign shipping is in better health than at any time since World War II.

As a matter of fact, Public Law 664, as originally conceived, provided for 100 percent carriage of Government-owned or financed cargoes in American-flag vessels. Mainly because of the adverse effect which such action might have on our allies abroad, I refused to support those demands. But, as between the two schools of thought, as between the policy of guaranteeing our own ships no

part of those ocean cargoes paid for or financed by Government, or of guaranteeing them 100 percent of such cargoes, I could have no hesitancy in taking a stand. I would be with those who urge 100 percent. But it is fortunate, indeed, that no such choice is necessary. Common sense will always require that we do not place reliance on foreign shipping, but, rather, that we take such reasonable measure as will protect our merchant fleet from disappearing from the seas.

It has come to my attention that the Department of Agriculture, which stated that it had no immediate interest in this 50-50 bill when it was before the Senate for consideration, now is having trouble finding space on American vessels for transportation of surplus agricultural products.

If that be a fact, certainly there is no reason to attach any blame to the cargo-preference bill. Rather, there should be genuine satisfaction over the improved, but still far from healthy, state of the American merchant marine, which this bill has certainly helped to accomplish. How much better it is to have our shipping generally busy, rather than rotting at the wharves, as was the case a few months ago before this bill became effective.

My information, however, is that competitive bids have been submitted by American ship operators on every occasion when the Department of Agriculture has asked for bids. Moreover—and this is most important—I am told that American-flag tramp-vessel quotations as of the present time are 20 cents per ton less than even our National Shipping Authority rates.

Rates on United States-flag berth liners, of course, are identical with those of competing foreign vessels. I suggest that the Department of Agriculture may resolve these transportation difficulties by seeking a greater number of competitive bids from American shipping.

It should be kept in mind that Public Law 664 foresaw just such a situation as is now reported—and provided for it. The law makes application of the 50-50 provisions dependent upon the condition that American vessels are "available at fair and reasonable rates for United States-flag commercial vessels." If privately owned United States-flag vessels are not so available, there is no requirement in the law that such vessels be used for the transportation of these surplus agricultural commodities.

Another point to be kept in mind, however, is the desirability of maintaining our tramp fleet in an active, prosperous condition. Anyone familiar with ocean shipping history can recall the numerous instances when American exporters have been forced to pay outrageous rates for space on foreign ships because no privately owned American-flag vessels were available.

Public Law 664, with its assurance of 50 percent of Government-purchased or Government-financed cargoes to United States-flag vessels, is a reasonable measure.

Even under it, our shipping will still be far from the goal, as fixed in the basic merchant marine legislation, of carrying



what might reasonably be considered a "substantial portion" of our country's waterborne export and import foreign commerce. Even under this "50-50" law, our ships will not be carrying the 50 percent of all our commerce which can rightfully be claimed as their due.

At least, however, Public Law 664 will help the American merchant marine meet to some extent the terrific competition of foreign shipping operating at one-fourth to one-half of the cost of American-flag vessels. On a realistic basis, this looks like as much as we can hope for. But it is as little as we can afford to take, in the interest of American prosperity and national security.

I will oppose to the utmost any efforts to deprive American shipping of the relatively feeble aid it now enjoys as a result of the operation of Public Law 664.

#### TAX AVOIDANCE IN CONNECTION WITH POLITICAL CAMPAIGN CONTRIBUTIONS

**MR. WILLIAMS.** Mr. President—  
The PRESIDING OFFICER (Mr. BIBLE in the chair). The senior Senator from Delaware.

**MR. WILLIAMS.** Mr. President, on August 4, 1953, Mr. Welburn Mayock, an attorney in Washington, D. C., was testifying before the Kean subcommittee. At that time the Kean committee was investigating the scandal-ridden Bureau of Internal Revenue. In his testimony of that date Mr. Mayock explained how in 1948, while serving as the chief counsel of the Democratic National Committee, he had entered into an agreement with Mr. William S. Lasdon, Katonah, N. Y., whereby he was to obtain for Mr. Lasdon a favorable ruling from the Treasury Department on his then pending tax case. In return for obtaining this favorable ruling, which would save nearly \$7 million for Mr. Lasdon, Mr. Mayock was to receive a \$65,000 cash fee, with the understanding that \$30,000 of this amount was to go to the Democratic National Committee. Mr. Mayock, without any power of attorney to represent this taxpayer, but solely in his capacity as chief counsel of the Democratic National Committee, then contacted Mr. John W. Snyder, the Secretary of Treasury, and promptly obtained the favorable ruling on Mr. Lasdon's tax question.

Mr. Lasdon previously had been denied a favorable decision upon this same question by the Treasury Department.

After this tax-fix scheme had been arranged, and after Mr. Mayock had collected his \$65,000 fee, he was confronted with the problem of how to get the \$30,000 into the Democratic campaign fund without obviously violating the Hatch Act. The Hatch Act prohibits contributions to a political campaign in excess of \$5,000 by any one individual. However, once having agreed to fix a tax case for \$65,000, the question of violating the Hatch Act apparently was not bothersome to Mr. Mayock and his associates.

Accordingly, as Mr. Mayock explained it, he merely arranged to have some of his friends write their personal checks payable to the Democratic National

Committee, in exchange for an equivalent amount of cash. In this manner he siphoned this \$30,000 of hot money into the treasury of the Democratic National Committee.

While freely admitting all of the above transactions during his testimony before the Kean subcommittee under date of August 4, 1953, Mr. Mayock flatly refused to tell that committee the names of the individuals who cooperated in this underhanded method of financing a political campaign. Each time the committee pressed him for the names of these individuals, Mr. Mayock replied, "That I am going to refuse to answer."

Since Mr. Mayock was reluctant to publish the names of the individuals who exchanged their personal checks, payable to the national committee, for an equivalent amount of this "tax-fix fee," I shall read that list to the Senate, along with a breakdown of the amount handled by each individual, plus the dates of the transactions.

Date	Name and address	Amount
Oct. 13, 1948	Democratic County Central Committee, William H. Malone, chairman, 955 Mills Tower, San Francisco	\$10,000
Oct. 14, 1948	Harold A. Berliner, 10 Crown Terrace, San Francisco	5,000
Do.....	William J. Mahaney, 2412 Russ Bldg., San Francisco	5,000
Oct. 18, 1948	Roy G. Owens, 1204 South Hill St., Los Angeles	2,500
Do.....	Wills Allen, 634 North Cherokee Ave., Los Angeles	2,500
Do.....	William B. Peeler, 7133 Sunset Blvd., Hollywood	2,500
Do.....	Lawrence W. Allen, 2104 North Highland Ave., Hollywood	2,500
	Total.....	30,000

This was not the only time that the Treasury Department, under the New Deal administration, resorted to the issuance of questionable rulings for the purpose of financing the 1948 political campaign.

On April 29, 1952, I incorporated in the CONGRESSIONAL RECORD copies of a series of political rulings which had been issued by the Treasury Department while Mr. John W. Snyder was Secretary of the Treasury, wherein Mr. Richard J. Reynolds, Winston-Salem, N. C.; Mr. Marshall Field, and Mr. David A. Schulte, both of New York City, were permitted to charge off as "bad business debts" their approximately \$400,000 contributions to the 1948 Democratic campaign. Since incorporating those rulings in the CONGRESSIONAL RECORD, I have discovered that the same Mr. Welburn Mayock was one of the prime factors behind those rulings.

On December 27, 1948, Mr. Mayock, without any power of attorney to represent Mr. Reynolds or the others involved, but solely in his official capacity as chief counsel of the Democratic National Committee, held a conference with Mr. Edward H. Foley, Undersecretary of the Treasury, and Mr. Thomas J. Lynch, General Counsel of the Treasury Department. At that meeting they discussed the Richard W. Reynolds case, which involved a \$300,000 contribution to the Democratic Party, as a party

case, and arranged for the issuance of a favorable ruling allowing him to write off this contribution as a bad business loss.

As further evidence of the callousness of the political regime then in power, we find that the Treasury Department even permitted Mr. Mayock to get away with reporting on his 1948 Federal income-tax returns only \$17,500 of this \$65,000 fee collected from Mr. Lasdon. Before computing his taxes he was permitted to deduct from the fee the \$30,000 which he set aside for the Democratic National Committee. He deducted from the gross fee another \$17,500 solely upon his claim that he paid \$8,750 each to Mr. William Solomon, 275 Central Park West, New York City, and Mr. Louis Markus, 9445 86th Road, Woodhaven, Long Island, as their share of the tax-fix payoff.

This latter deduction was allowed, notwithstanding the fact that when both Mr. Markus and Mr. Solomon testified under oath August 5, 1953, before the Kean subcommittee, they emphatically denied that they had received any of this fee, and accordingly they had paid no taxes on their alleged share.

But the mere fact that no one was paying any tax on the \$17,500 in controversy did not in the least bother the Treasury Department. They merely placed it in the same category as the \$30,000 contribution to the Democratic National Committee and allowed everyone to write it off in his tax returns.

This procedure of issuing favorable Treasury rulings in exchange for contributions to a political party was extremely costly to the American taxpayers from two angles:

First. The granting of these favorable rulings which apparently would not otherwise have been extended resulted in a substantial loss in revenue.

Second. The issuance of these rulings had the indirect effect of financing a part of the 1948 Democratic campaign out of the Federal Treasury.

The disclosure of these transactions was a shock to the American people, and the overwhelming majority of the members of the Democratic Party were just as indignant as were the members of the Republican Party to find that certain high officials in that administration had stooped to such low tactics for the purpose of financing a political campaign.

Even after publication of the additional list of names of those involved in this deal there are still many questions left unanswered in this case, and I suggest that both the Department of Justice and the Treasury Department reexamine the conflicting testimony given before the Kean subcommittee in August 1953.

For example, the conflict of testimony wherein Mr. Mayock under oath told the committee that he paid \$8,750 each to Mr. William Solomon and Mr. Louis Marcus and their testimony of the following day emphatically denying this statement obviously is the basis of a perjury charge.

The statute of limitations may have expired on violations of the Corrupt Practices Act in 1948, but it has not expired on any possible perjury charges resulting from testimony given before

the Kean subcommittee in 1953, nor has it expired upon the ability of the Treasury Department to collect back taxes due on the erroneous deduction of the \$30,000 fee to the Democratic National Committee as well as the controversial \$17,500 previously referred to.

Grand juries are now in session at both Omaha and St. Louis, and their work should shed additional light upon the scandal-ridden Tax Bureau of that era.

The San Francisco News of February 8, 1955, reported a statement of two of the individuals involved, Mr. William Malone and Mr. Harold Berliner, outlining their version of the transaction, and in the Los Angeles Times of February 9, 1955, others mentioned in that area explained their position.

I think the explanation of the entire group can best be summed by the statement of Mr. William R. Peeler, of Hollywood, and one of the participants, who said:

The attorney who handled the contributions out here just came around to the office where we worked and asked several of us if he could use our names in making the donation.

I asked him if using my name would carry any financial, moral, or legal responsibility.

He said "No." He said "it was just a way of getting around a law that neither party paid any attention to anyway".

Unquestionably this shady transaction from the beginning was recognized as a violation of the law by all concerned, and it should be noted that the only reason criminal prosecution was not invoked was that it was kept covered up by the preceding administration until the statute of limitations had expired.

I ask unanimous consent to have incorporated in the body of the Record the statements of these individuals as appearing in the San Francisco News of February 8, 1955, and in the Los Angeles Times of February 9, 1955.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the San Francisco News of February 8, 1955]

#### TWO SAN FRANCISCO DEMS DEFEND ROLES IN MONEY SHIFT

Two of the three San Franciscans named by United States Senator JOHN J. WILLIAMS today warmly defended their participation in a Democratic money transfer described by the Delaware Republican.

William M. Malone, former chairman of the Democratic County Committee, reserved comment until he could read WILLIAMS' complete statement on the \$10,000 check which Malone, in that capacity, sent to the Democratic National Committee in 1948.

The other two—Harold A. Berliner, former Internal Revenue Service collector here, and William J. Mahaney, attorney—freely discussed their forwarding of \$5000 each to the national committee.

"I had never heard of Mayock (former chief counsel of the Democratic National Committee, who arranged the fund transfers) and didn't know he was in the picture," said Berliner.

"I was told by our county chairman that some money had come into our committee, and was asked, with Mr. Mahaney, if I would send this money in my name to the national committee as a contribution. So I did.

"People frequently make contributions to committees, and want it sent in to the national committee without having their names used. It was an absolutely clean transaction.

Mahaney, too, said he never had heard of Mayock at the time.

"The amounts that came to Berliner and me came from Malone," he said.

"I didn't know anything about the background, but it was not unusual to have the head of the organization here put money in through you, and hand you the money to make a contribution—or have you hand him some.

"That was the beginning and end of the whole transaction."

Mahaney added that the matter "already has been investigated very thoroughly."

[From the Los Angeles Times of February 9, 1955]

#### ANGELENOS NAMED IN TAX DONATION—SENATOR SAYS 7 CALIFORNIANS HELPED CHANNEL \$30,000 FEE TO DEMOCRATIC PARTY

WASHINGTON, February 8.—Senator WILLIAMS, Republican, of Delaware, today named 7 Californians who, he said, had participated in channeling \$30,000 of a lawyer's fee to fix a tax case into the treasury of the Democratic National Committee in 1948.

WILLIAMS said he was listing the names since Welburn Mayock, Washington, D. C., lawyer involved in the case, had refused to do so in testimony August 4, 1953, before a House subcommittee investigating the Internal Revenue Bureau.

#### CALIFORNIANS NAMED

The Californians named by WILLIAMS in a Senate speech were William H. Malone, San Francisco; Harold A. Berliner, San Francisco; William J. Mahaney, San Francisco; Roy G. Owens, 1204 South Hill Street, Los Angeles; Willis Allen, 634 North Cherokee Avenue, Los Angeles; William R. Peeler, 5107 Sunset Boulevard, Hollywood; and Lawrence W. Allen, 2104 North Highland Avenue, Hollywood.

WILLIAMS said Mayock collected a \$55,000 cash fee in the tax case, with the understanding that \$30,000 of it was to go to the Democratic National Committee.

"But," said WILLIAMS, "the lawyer was confronted with the problem of how to get the \$30,000 into the Democratic campaign funds without violating the Hatch Act ban on individual contributions in excess of \$5,000."

#### METHOD EXPLAINED

"As Mr. Mayock explained it" in his testimony, WILLIAMS said, "he merely arranged to have some of his friends write their personal checks payable to the Democratic National Committee in exchange for an equivalent amount of cash."

"In this manner," the Senator added, "he siphoned this \$30,000 of hot money into the treasury of the Democratic Committee."

WILLIAMS said that Mayock freely admitted these transactions in testifying before the House investigators but that he flatly refused to tell that committee the names of the individuals who cooperated in this underhanded method of financing a political campaign.

At the top of a list of transactions read by WILLIAMS was an item of Democratic County Central Committee, William H. Malone, chairman, San Francisco. The amount given was \$10,000 and the date October 13, 1948.

He listed \$5,000 each for Berliner and Mahaney, both on October 14, and \$2,500 each for Owens, Willis Allen, Peeler, and Lawrence Allen, all on October 18, 1948.

WILLIAMS said testimony before the House subcommittee showed that Mayock, while serving as chief counsel of the Democratic National Committee in 1948, had entered into an agreement with William S. Lasdon, of Katonah, N. Y., "whereby he was to obtain for Lasdon a favorable ruling from the Treasury Department on his then pending tax case."

"In return for obtaining this favorable ruling which would save nearly \$7 million for Mr. Lasdon," WILLIAMS said, Mayock was to receive a \$65,000 cash fee with the understanding that \$30,000 was to go to the Democratic National Committee.

#### RULING CLAIMED

WILLIAMS said that Mayock, "without any power of attorney to represent this taxpayer but solely in his capacity as chief counsel" of the national committee, then contacted John W. Snyder, who was Secretary of the Treasury, and "promptly obtained the favorable ruling on Mr. Lasdon's tax question."

WILLIAMS said Lasdon previously had been denied a favorable ruling on "this same question" by the Treasury Department.

After commenting on Mayock's problem of turning the \$30,000 over to the national committee, WILLIAMS said:

"However, once having agreed to fix a tax case for \$65,000 the question of violating the Hatch Act apparently was not bothersome to Mr. Mayock and his associates."

In San Francisco, both Berliner and Mahaney readily confirmed they each sent in \$5,000. Both said they did so at Malone's request, did not ask where the money came from and considered it a routine action, innocent of any implications of wrong doing.

"I understood it was county committee money being forwarded to the national treasury," Berliner said.

"I had no knowledge of the source, knew nothing of the background, and never heard of Mr. Mayock," Mahaney said.

He added he would be glad to send in \$5,000 to the national committee "any time anybody will give it to me to send."

Malone was out of his San Francisco office and not immediately available for comment.

Lasdon, reached through his office at Yonkers, N. Y., issued this statement:

"As the record before the Kean committee goes, the record shows every cent I paid to Welburn Mayock for his services in connection with representing me before the Treasury Department in 1948 with respect to securing the tax ruling in question was in payment of a legal fee.

"I never knew, and do not now know, that any part of the legal fee so paid went to anyone other than Mr. Mayock."

#### ANGELENOS DENY MAKING DONATION

In Los Angeles, William R. Peeler, named by Senator WILLIAMS as a contributor of \$2,500 to the 1948 Democratic campaign fund, yesterday said that he neither donated the money nor received cash from Attorney Welburn Mayock to donate.

"The attorney who handled the contributions out here," Peeler said, "just came around to the office where we worked and asked several of us if he could use our name in making the donation.

"I asked him if using my name would carry any financial, moral, or legal responsibility."

#### EXPLANATION GIVEN

"He said no. He said it was just a way of getting around a law that neither party paid any attention to anyway.

"He said he just wanted to use my name as a channel through which to put the donation."

Peeler said that the attorney who contacted him died a year ago. Peeler added that Government investigators questioned him about the contribution 3 years ago. He said that he told them about the matter in an affidavit.

#### HANDLED NO CASH

Willis Allen said last night that the circumstances under which he donated \$2,500 were similar to those described by Peeler.

"Mayock was our attorney," he said, "and had helped a group in which I was interested in a case before the Supreme Court in Washington. When my brother and I and the other men were asked to lend our names for



the purpose of donating money to the Democratic fund, we were glad to do so.

"I did not handle any actual cash. As I remember, four cashier's checks were purchased and the money was sent in in this way."

Allen explained his brother Lawrence died last year. Owens works in the advertising business and Peeler was a mutual friend of the Allens and Mayock.

The Times was unable to locate the other two men, Lawrence W. Allen and Roy G. Owens, named by Senator WILLIAMS in Washington.

### THE SPIRITUAL ARMAGEDDON

Mr. SYMINGTON. Mr. President, in March 1951 one of our most distinguished elder statesmen, Mr. Bernard M. Baruch, wrote a short article published in the Reader's Digest magazine. It was called "Spiritual Armageddon Is Here Now." I desire to read excerpts from that article.

"These are times that try men's souls," wrote Thomas Paine when America was struggling to be born.

"Tyranny, like hell, is not easily conquered. . . . Heaven knows how to put a price upon its goods; and it would be strange indeed if so celestial an article as freedom should not be highly rated."

Today we are being asked to place our own valuation on freedom, in the things we are ready to give up, the taxes we will pay, the self-discipline we embrace—in how quickly we will do all this. Let us not haggle, clinging to petty profits and petty comforts. Should we price freedom too low, it will be taken from us.

Unfortunately, when I urged mobilization of our military, economic, and spiritual resources—

This was in 1951—

there were too many who felt we should wait and see. They hoped that something would happen to change the attitude of our enemies—those without and those within.

Those without are Russia, and her satellites.

No doubt today he would include Communist China.

Those within are the pressure groups, selfishness, cowardice, inflation, and above all, incompetence in the management of our affairs.

The world is shaping up to a struggle between communism and individualism, between that system which feels the state should be the master and that system, ours, which feels the state should be the servant of the individual.

The first battle of the great Armageddon is taking place within this country—now. If our democracy, our Government and the institutions founded under its Constitution, cannot control the conflicting and selfish interests for the overall welfare, Armageddon will be lost here in this country.

How can our conscience rest easily when we so unflinchingly send our young men to battle and hesitate to send our profits?

The situation demands self-denial and sacrifice. Unless we practice these things we shall lose first the spiritual battle of Armageddon and then the last battle will surely be lost—the physical one.

I repeat what I said before the Senate Banking and Currency Committee, July 1950:

"Nearly 3 years ago—"

That would be 8 years now—

I clipped an item from a newspaper which seems ominously prophetic today. It told of a boast made by a Soviet general. The west-

ern democracies were bound to be defeated by the Soviet Union because they would not make the sacrifices necessary to arm themselves. They prized their standard of living too highly. They would not be willing to accept the disciplines to put "guns" over "butter."

"In Russia, though, this general boasted, the people were inured to hardship. The Soviet Government would force the sacrifices to mobilize. A lean and hungry, but mobilized Russia would overrun a western world which couldn't bring itself to mobilize—in time.

"That is the test which confronts us—not only this country but all of the free peoples of the world."

I appreciate how harsh a time Europeans have had. But the Soviets, whose people endured even more, have ruthlessly chosen to put military power ahead of improving living standards. That challenge cannot be ignored. If what is required is not done now, infinitely more will have to be given up later.

Everything might be lost under the heel of a Soviet occupation.

For almost 5 years (9 years now), since the last war's end, the Atlantic powers have put off a choice that cannot be evaded. It is the choice of mobilizing our strength now, while peace can still be saved, or of clinging to petty wants and petty profits, imperiling our freedom, and our civilization.

No outside enemy can defeat us. We can defeat ourselves. Yours is the decision. Which shall it be—less comfort or defeat? The spiritual Armageddon is here.

Mr. President, that message was delivered by perhaps the foremost living authority on a mobilization economy. This message was delivered 4 years ago. Based upon what has happened recently, I believe it is wise policy for us to view world conditions, since he delivered that message.

The position of the free world as against the Communist position during the past 2 years gives a saddening picture of compromises and reversals.

Let us look briefly at the record. On July 26, 1953, after 3 years of bloody warfare, an uneasy truce was signed in Korea.

We are not proud of some of the terms of that truce, and less proud of the fact that we know those terms have been consistently violated, and are being violated every day.

Starting in January 1954, the month this administration announced its new reversed policy of "massive retaliation," a foreign ministers' conference was held in Berlin. The major result of that session was an invitation to the Chinese Communists to meet with the free world in Geneva; and at the subsequent Geneva conference, the Communists defeated the proposal for free elections in Korea. Defeats continued in Indochina. These defeats were highlighted finally by the loss of Dien Bien Phu.

An armistice in Indochina was signed in July 1954. By that action the free world gave up 77,000 more square miles of territory and 12 million more people to the Communist rulers behind the Iron Curtain.

On August 30, 1954, the European Defense Community collapsed when the French Assembly refused to ratify the plan.

Twice the United States Senate has expressed itself in favor of the unification of Germany, and that, too, has been

blocked by the Communists. Nor have the French finally approved the subsequently plan to rearm Western Germany, the plan developed after the failure of EDC.

I might add that at this time that possibly there are grim forebodings about the situation in Western Germany. The Chancellor of West Germany is fighting to carry out the idea of West German rearmament. In any case, is it not fair to say that, as of now, this country has fewer friends in the world than it has had in a long, long time? Certainly it is right to say we have stronger possible enemies.

The United States has just announced that, if necessary, it would defend Formosa unilaterally as a key link in its defense line in the Far East. The Communist Chinese during past months, and as recently as last week, announced that they intend to conquer Formosa. Unless this administration or the Communist Chinese change their minds, ultimately war is inevitable.

The Communists, with from 800 to 900 million people under their control, grow steadily stronger day by day, week by week, month by month, and year by year. They grow stronger, not only in absolute terms, but also relatively with respect to the military strength of the free world.

The head of the Soviet military was today made the Premier of the Soviet Union; and the first acts of this planned new government, made in recent hours and in recent days, are interesting. These acts include the following:

First. The Soviets have reaffirmed their respect for, and their alliance with, Communist China.

Second. The Soviets have changed the policy of Malenkov established after the death of Stalin. They have gone to greater emphasis on military production as against Malenkov's policy of increasing the production of consumer goods.

Third. They have speeded up their plans for military expenditures. This new group of rulers in the Soviet Union as of today, however, in addition to establishing the head of the army as head of the entire Soviet Government, have announced that they will increase Soviet military expenditures by 12 percent.

Fourth. The Soviet Communists have just fired Mr. Malenkov, the one man in the Communist world who has stated that atomic warfare might destroy us all.

In that connection, Mr. President, it is interesting to note that as of today any nuclear warfare advantage which this country had may well be over. We now have what some people term the "intolerable absolute," which others term "atomic symmetry." A more simple expression would be "strategic standoff."

We have the power to deliver atomic and hydrogen bombs; and we have those bombs. The Soviets have the power to deliver atomic and hydrogen bombs; and they have those bombs.

I do not necessarily criticize this administration for the great advances the Communist world has made during the past 2 years. I do say that under the circumstances it is absolutely incredible for this administration to announce a policy which reduces our Army by

275,000 men and reduces our Marine Corps by 31,000 men—every man in the Marine Corps today is a volunteer—and creating a false impression in the minds of the American people that our Air Force is being greatly strengthened, when actually this administration is adding only 5,000 men to increase the size of the Air Force 17 full wings.

I intend later to present what is involved in these military reductions in more detail on the floor of the Senate. But surely, we must realize how these steady reductions in our plans for more military power have not only affected the morale of our allies, but have also played directly into the aggressive plans and programs of the Communist conspiracy for world conquest.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished senior Senator from Oregon.

Mr. MORSE. The Senator from Missouri is the former very able Secretary of the Air Force. If we should, God forbid, become involved in a war on the mainland of China, does the Senator believe we could win the war with the Air Force and Navy alone, or whether we would need American ground forces?

Mr. SYMINGTON. I may say to the distinguished senior Senator from Oregon that I have heard many prophecies made about wars being won without ground troops. With the certain exception of the island of Japan, where there was tremendous ground-force fighting on the islands coming up to Japan, I know of no war being won without ground-troop action. A basic reason for Japan's surrender was that we had the atomic bomb, and they did not. That condition does not prevail today. I believe if there is war with the Communists, there will be ground fighting.

Mr. MORSE. Mr. President, will the Senator yield for another question?

Mr. SYMINGTON. Mr. President, I am glad to yield to the distinguished senior Senator from Oregon.

Mr. MORSE. In addition to the kind of bomb we dropped in the war with Japan, we had ground troops engaging the best troops of the Imperial Japanese Army. Is not that true?

Mr. SYMINGTON. That is true. As the Senator knows, there are many American crosses on Tarawa, Iwo Jima, Okinawa, and other islands in the Pacific. These islands illustrate fully the Senator's observation.

Mr. MORSE. It was a ground war as well as a naval and air war, was it not?

Mr. SYMINGTON. That is correct.

Mr. MORSE. Does the Senator from Missouri feel that there is some justification for concern on the part of some of us, at least, that there is a potential danger of becoming involved in a war on the mainland of China?

Mr. SYMINGTON. If the Chinese Communists are sincere in their intention to conquer Formosa, and if this administration is sincere in its expressed intention to defend Formosa, inasmuch as it has already received from Congress approval to attack the mainland of China, in any manner it may see fit to

prevent the fall of Formosa, it is obvious there is now a chance of land warfare on the Chinese mainland.

Mr. MORSE. If we should become involved in a war on the mainland of China, would it not be in our national self-interest to have ground forces in being to engage in the first part of the war until we could prepare our reserves for land engagements?

Mr. SYMINGTON. If I may attempt to penetrate behind the question of the distinguished senior Senator from Oregon, the point is whether we should have forces in being as against forces in reserve.

In January 1953 a report was issued by a well-known businessman which stated it was better to have mobilization lines—a mobilization base—capable of production than it was to store military production items themselves. In my years in government I have never seen or heard a more erroneous statement, because if we should become engaged in a war, and it should develop into a nuclear war, production availability would mean relatively little. What would count would be our forces in being.

It is interesting the Senator from Oregon should bring up this question of ground troops. For many years Russian Communist divisions have been understood to be 175 in number, the Chinese Communist divisions have varied from 200 to 400. But not counting the Soviet and Chinese satellites, and not counting our allies, we see from 375 to 575 divisions for the Russian and Chinese Communists.

This country now has 20 divisions, which are now planned to be cut to 13 combat divisions and 4 training divisions.

Mr. MORSE. Mr. President, will the Senator from Missouri yield for a further question and observation?

Mr. SYMINGTON. I shall be glad to yield.

Mr. MORSE. Does the Senator agree with me that, in view of the potential dangers in Asia which I think exist from the standpoint of the security of our country, it would be better, if we are thinking about the psychological effect on the Kremlin, to be announcing to the world that we are increasing our ground forces rather than decreasing them?

Mr. SYMINGTON. Of course. The Senator has, as is usual with his penetrating mind, singled out a major point. The implication is that we are stronger everywhere, and that, therefore, we can slough off our ground-troop strength. With utmost sincerity I say I do not believe we can ever side-line our ground-troop strength.

Mr. President, the Soviets are far superior under the sea than the Nazis ever were, as compared to the under-the-sea strength of the free world.

Although our Navy, on the surface of the sea, is relatively very strong, and in all forms of war that is important, in the Far East as we announced we will go to war if Formosa is attacked we are badly outnumbered in the air.

Mr. MORSE. Mr. President, will the Senator from Missouri yield for a further observation?

Mr. SYMINGTON. I am glad to yield.

Mr. MORSE. I am one Senator who thinks that in this critical hour it is much more important that we balance our military strength against what we know to be the Communist strength than to pay so much attention to balancing the budget. I think it is more important at the present time that the American people go down into their pockets and pay for adequate defense than that they go along with an administration which I believe, in the name of economy, is weakening our defense and our Military Establishment.

Mr. SYMINGTON. I thank the Senator.

I should like to read three or four paragraphs which conclude my remarks, and then shall be glad to yield for any questions. I thank the distinguished senior Senator from Oregon for his penetrating analysis of what can be properly called America's new policy of "strength through weakness."

But I do say that under these circumstances it is absolutely incredible for us, to announce a policy which is reducing our Army some 275,000 men, reducing our Marine Corps 31,000 men, every man of whom is a volunteer, and providing only 5,000 men to increase our Air Force 17 wings.

I intend later to present these matters in more detail on the floor of the Senate, but surely we must realize how these steady reductions in military power have not only affected the morale of our allies, but also have played directly into the progressive plans and programs of the Communists.

Not only have we increased the morale in the lands of our possible enemies and reduced it in the lands of our possible allies, but we have played false with the American people by reassuring them as against telling them the truth about the danger in the world in which we now live.

As the Communists continue to develop their position, gaining ground for their oft-repeated intention of destroying the free world, we should remember two basic factors in this entire picture.

First, now nearly a billion people are ruled directly by men who do not believe in God, and therefore have little respect for human life as they continue their plans and programs to conquer the free world.

Mr. President, we should never forget that the Soviets in turn have almost never failed ultimately to do what they said they were going to do. Stalin himself often said before and after V-J Day that they intended to make their plans and programs coincide with their primary desire—the conquest of the entire world.

The second basic factor is that the only possible justification for reducing our armed strength, despite the diplomatic failures of the past 2 years and the great and growing strength of our possible enemy, is a desire to pursue our luxurious way of life.

It would seem we are now turning our back on Almighty God in favor of the almighty dollar.

Mr. LEHMAN. Mr. President, will the Senator yield?



Mr. SYMINGTON. I am glad to yield to the distinguished senior Senator from New York.

Mr. LEHMAN. I congratulate and thank my distinguished colleague for his very able and useful speech. I wonder whether the Senator from Missouri recalls that before it was generally known that the United States had developed the atom bomb, which we were able then to drop on Japan, it was the generally accepted estimate that if it were necessary to fight with our ground forces in Japan, we would suffer a minimum of one million casualties, even though at that time we were not fighting alone but had the support of many of our very dependable allies.

Mr. SYMINGTON. The Senator from New York I am sure knows those figures. I do not happen to know them. But I am confident his memory is proper.

Mr. LEHMAN. Mr. President, will the Senator further yield?

Mr. SYMINGTON. I am glad to yield. Mr. LEHMAN. My recollection on that point is very distinct. I do not think it would be very difficult to demonstrate it both by the many releases to the press and statements made on the floor of the Senate.

But what I am seeking to drive home at this time is this: We are undertaking responsibilities in Asia which are beyond those that were contemplated 2 or 3 years ago, responsibilities which may involve us not only in a naval war and an air war, but also in ground fighting. Yet we find ourselves in a position in which our air strength is little greater than it was 2 or 3 years ago; our naval strength certainly is no greater; and each year we have seen a diminution in the strength of our Army.

Coincidentally with the lessening of our strength, we know that the military strength, in the air, on the sea, and on the land, of both Russia and China has vastly increased over the last 3 or 4 years. In other words, is it not true that the gap which existed some years ago between our military strength and the strength of our potential enemies, the Communists principally, Russia—because China at that time was not a great military factor—instead of being narrowed as our responsibilities increased, has actually widened? Is not the gap today very substantially larger than it was some years ago?

Mr. SYMINGTON. Our responsibilities have been growing steadily, not only because of our commitments, but also because—and I believe this to be a fair statement—the United States is the one great power left in the free world which is able to resist the advances of world communism provided we become adequately strong.

Second, for many years after World War II the United States had what has been called, and I believe properly so, the atomic deterrent. It was known that our strategic air force could destroy any country which attacked us. But now there is a strategic standoff from the standpoint of nuclear weapons, so that, if there are to be peripheral wars, the chances are we shall be fighting such wars on terms favorable to the enemy.

Without getting into any discussion of when, where, or how we will use nuclear weapons, my belief is this country can in no way justify what it has been doing in the past 2 years, namely, steadily reducing its plans for military strength while its possible enemy has been steadily increasing its military strength and, at the same time, steadily increasing its international commitments.

Mr. SMATHERS. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I yield.

Mr. SMATHERS. I wish to join with other Senators in congratulating the Senator from Missouri on his very timely, forthright, and necessary speech concerning our national defense and its inadequacy at the present moment.

But I gathered from the Senator's remarks that he believes there is a greater threat to the security of the United States and the peace of the world by reason of the removal of Mr. Malenkov as the head of the Soviet Union. Is that correct?

Mr. SYMINGTON. That is correct. I made that statement based not only on what I have read in the newspapers and heard on the radio today, but also after discussing the matter with experts on Soviet Russia.

Mr. SMATHERS. It is because of that fact, I take it, that the Senator from Missouri is urging in the Senate today that we take some affirmative action immediately in respect to the entire defense situation. Is that correct?

Mr. SYMINGTON. That is correct.

Mr. SMATHERS. I wonder if the Senator read in last night's Washington Evening Star an Associated Press article which quoted Secretary of Defense Wilson. The article reads, in part, as follows:

Secretary of Defense Wilson said today the Armed Forces are losing far too many trained men to private industry and lately we have seen an already critical situation get worse.

Had the Senator been aware, as the Secretary of Defense had suddenly said, that the situation is critical? Or is this something new? I had not read of this previously; I wondered if the Senator from Missouri had.

Mr. SYMINGTON. I saw that article. Sometimes it is hard to follow the Secretary of Defense in his comments and opinions on the problems of military departments.

Mr. SMATHERS. I will ask the Senator from Missouri if he can explain to me the following quotation by the article of a statement by Mr. Wilson:

"Approximately 1 million men—one-third of our planned size for the active forces—will become eligible for some form of release during the next year. This high turnover rate is extremely costly in dollars, but it is even more costly in terms of loss of experience and operational efficiency.

"The readiness of our combat units will be difficult to improve if we are unable to induce more men to stay with us longer."

In the light of that statement, with which I personally agree, can the Senator from Missouri help me reconcile the reduction by the Secretary of Defense in the size of the Army by 275,000 men, and

the reduction in the size of the Marine Corps by 32,000?

Mr. SYMINGTON. My answer to the distinguished junior Senator from Florida is that it is all too obvious to some of us, as it is to him, based upon the article to which he has referred, that this administration is not practicing what it preaches.

The morale in the armed services is low. Two interesting letters were published only last night on the editorial page of the Evening Star, one from a lieutenant colonel in the Army, the other from a captain in the Navy. Much of the personnel in the armed services today believe that the services are little more than training grounds for private industry.

They point out that the relative differences in salaries received by various personnel—mechanics, electricians, pilots, etc.—and the salaries received by such persons in private industry handling the same type of work. Recently the Secretary of the Air Force announced he expected to lose 150,000 out of the 200,000 four-year enlistments at about the time of the Korean War. The average cost of training such individuals is \$14,000. The loss in personnel would therefore represent a loss to the American taxpayers of more than \$2 billion. The loss of a jet pilot incidentally costs the American taxpayers \$120,000.

Mr. SMATHERS. Mr. President, will the Senator yield further?

Mr. SYMINGTON. I yield to the distinguished Senator from Florida.

Mr. SMATHERS. Would the Senator not agree that if Secretary Wilson actually desired to keep in the Armed Forces the trained and experienced men to whom reference was made in the article, it would be the course of wisdom for him to set aside the called-for reduction of 31,000 Marines and 275,000 Army personnel, who have been trained? We know the Marines want to stay in the service. Would that not be the best way to get the additional men needed?

Mr. SYMINGTON. I have seen many paradoxical programs but never before one which involved discharging 31,000 men from the Marine Corps (every one a volunteer) at the same time a request is made for continuation of the draft in order to draft untrained men into the armed services.

Mr. SMATHERS. I thank the Senator.

Mr. GOLDWATER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Missouri yield to the Senator from Arizona?

Mr. SYMINGTON. I yield to the distinguished junior Senator from Arizona.

Mr. GOLDWATER. Before I put my question, I should like to commend the Senator for recognizing that it is time that America made up its mind about making a sufficient sacrifice to guarantee the peace. I have a question or two to ask the distinguished Senator from Missouri about things he said during the course of his statement.

The first question is directed at his remarks in reference to the Korean

truce we signed, and the apparent violations of it and the lack of enforcement of its terms. I should like to ask the Senator if he thinks we should not have signed a truce at all.

Mr. SYMINGTON. Is the distinguished Senator asking me whether I think we should or should not have signed a truce?

Mr. GOLDWATER. Yes.

Mr. SYMINGTON. I believe a truce was desirable, but I hesitate to think of the criticism which would have been visited on the previous administration first if it had signed the type of truce which was signed, and, secondly, if it had been as casual in seeing that the terms of the truce were enforced.

Mr. GOLDWATER. Would the Senator think the war in Korea as it was waged under the former Democratic administration was waged in the traditionally honorable American fashion, when, having won the war twice on the field of battle, we nevertheless lost it?

Mr. SYMINGTON. I do not know whether the war in Korea was fought in the way either the Senator from Arizona or many other persons believe it should have been fought. But I am less interested now in what has happened in Korea than what is going to happen, not only around Formosa, but in many other parts of the world. I do not believe that this time there is much use in crying over what has already taken place in Korea.

The reason for my making these few remarks on the floor today, is that any man who can read now knows about the military strength of the Communists all over the world. This strength is steadily increasing, and the Communist forces are steadily advancing, despite the efforts of this administration to prevent this advance. This country, the only real power in the free world able to stop the world advance of atheistic communism, is steadily, day by day, reducing its military strength. I believe the reduction endangers our freedom. That was the point of my remarks.

Mr. GOLDWATER. Does the Senator deny that the result of Korea and the way we handled that struggle has an effect upon the situation today?

Mr. SYMINGTON. The results of World War II also have effect on the situation today. The results of World War I have effect on the situation today. I think the results of all wars fought in this century have effect on the situation today. We have been affected by our first war and every war since the first. A military expert has said that 20,000 regulars on either side could have decided in a few weeks our bloody 4-year-long war between the States.

If there is one thing we should have learned from the Korean war, along with every war in which this country has ever engaged, it is that we always pay heavily because we are not prepared.

My point today, I repeat once more, is that in this time of hydrogen bombs and nuclear standoff, we are not facing up to the growing strength of communism. What we are facing up to is the importance of the dollar to the few.

Mr. GOLDWATER. Will the Senator yield further?

Mr. SYMINGTON. I am glad to yield to the distinguished junior Senator from Arizona.

Mr. GOLDWATER. With regard to what the Senator from Missouri has said about our facing up to the problem, does he feel that we faced up to the Communists in Korea in the way America has traditionally faced up to its military problems? If our traditional methods had been followed, we would not be faced with the danger we confront today in the Formosa Strait.

Mr. SYMINGTON. I think that premise is wrong. Korea in no way affected the growing strength of Russia. In that respect Korea was the same to the Russians as the Berlin airlift, which was described by Winston Churchill as proving that we could stand on our heads indefinitely while the Russians sat in an armchair. No matter who won in Korea, the fact is that while the Chinese Communists, Korea, and the United States were destroying their resources, the Soviet leaders in Moscow were sitting back in an armchair.

Mr. GOLDWATER. Then the Senator agrees with the way the Korean war was conducted, namely, that our pilots should not bomb beyond the Yalu or destroy military or strategic supplies in that area. Am I correct in that statement?

Mr. SYMINGTON. No; the Senator from Arizona is not correct in assuming that is my viewpoint. I have often said that if American boys are sent out to fight, they should be sent with every opportunity to win. However, I say to my colleague, for whom I have great admiration and respect, that this country must now face up to the change in Soviet policy, if it was a change, just announced.

I do not see how it is constructive to debate and refight the Korean war in the Senate. What I think important are plans to resist future Communist aggression. I emphasize to my distinguished colleague, if I may, the word "future."

Mr. GOLDWATER. If my colleague will yield further, I have just 1 or 2 other questions in connection with the Senator's statement. I am inclined to agree with him that it is wrong to rehash the Korea fighting, but military history has a way of repeating itself. Having drawn attention to what should not have been done or should have been done in the Korean fighting by the former administration, does the Senator from Missouri feel that we should again be drawn into a war in which we could not bomb beyond a certain point for fear of injuring the feelings of the Soviet Union?

Mr. SYMINGTON. I do not remember any such argument about Korea. I do not think it is constructive at this time to argue about the way the Korean war was fought. That was all I said about the Korean war.

Mr. GOLDWATER. Mr. President, if the Senator from Missouri will pardon me, let me say he was criticizing the present administration for a truce; and I wanted to bring out, by questioning, which I feel I have done, that the truce was better than a continuation of the conditions in Korea at the time the truce was brought about.

Mr. SYMINGTON. No, Mr. President; if I may say to the distinguished Senator from Arizona, I was not criticizing the truce. What I was criticizing was what has happened after the truce.

Mr. GOLDWATER. The Senator from Missouri has not answered my question regarding Formosa; and I understand that he does not care to answer it because he feels it relates back to Korea.

So I shall proceed, if I may—

Mr. SYMINGTON. Mr. President, at this point let me interrupt the Senator from Arizona.

Mr. GOLDWATER. Yes.

Mr. SYMINGTON. I did not quite understand the Senator's question with respect to Formosa. I shall be glad to try to answer, although I am not a member of the Foreign Relations Committee, and I may not be as well versed in the matter as he is. However, I shall be glad to try to answer.

Mr. GOLDWATER. Of course, the Senator from Missouri has discussed a military subject. Neither am I a member of the Foreign Relations Committee. I am sure the Senator from Missouri realizes my limited knowledge, as well as his own, in this field.

However, my question, as I recall it, was as follows: Having drawn a line in the Formosa area—an action which I said I felt we should have done at some more advantageous spot, 10 years ago, instead of turning our backs on Chiang Kai-shek—and following the events of the Korean episode, would the Senator from Missouri now suggest a line on the Continent beyond which we should not bomb, for fear of injuring the feelings of the Soviets?

Mr. SYMINGTON. First, as to some of the Senator's premises to his question.

As I remember, the line regarding Formosa was drawn in 1950 under the previous administration. Incidentally, let me say that I was glad to see that the President had the judgment to reverse himself with respect to the "unleashing" aspect of something he said in January 1953—something obviously wrong, and which I am sure he said only because he was misadvised by some of his advisers.

About Formosa, I voted for the request of the President of the United States; and I did so on the theory that in these times we should all stick together. I voted for his request to handle the Formosa situation the way he saw fit.

Mr. GOLDWATER. Mr. President, I have a further question to ask, and it is prompted because of many conversations the Senator from Missouri and I have had on the subject of airpower. He mentioned the retaliation speech of Secretary Dulles. I think it was delivered on either January 12 or January 13 of last year. Does not the Senator from Missouri think that speech might prove to be the first recognition of the true use of airpower in our national strategy?

If the Senator from Missouri will indulge me, I should like to elaborate a bit on that point, because during our conversations we have not quite gone into the aspect I have in mind. I have always been interested—in fact, ever since the days when the distinguished Senator from Missouri was head of the Air Force—in the possibilities of applying to



airpower Mahan's doctrine of naval supremacy. It is my feeling that Secretary Dulles' statement about massive retaliation is the first recognition that we are now in a new epoch of geophysical condition, wherein a new means of communication dictates another look at the method of waging war.

Let me say, if the Senator from Missouri will permit a further interruption—and I shall be brief in this reference—that in this field we might start with a consideration of the massive land-attack theory of Genghis Khan, and its subsequent improvement by Alexander the Great, and its modern development by Admiral Mahan, in his application of it to naval power in the British Isles and the British Empire.

Today, now that another means of communication has come into the picture, is it not the feeling of the Senator from Missouri that we should take another look at the weapons system and at the way war will be waged in the future?

Mr. SYMINGTON. I agree, Mr. President, with some of the very interesting and well-thought-out comments the distinguished junior Senator from Arizona has just made. The idea of an all-powerful army, as developed by Genghis Khan, or an all-powerful navy as developed by the British in the 19th century, however, has now gone out the window from the standpoint of our exercising of air power on a similar basis in this age, because today the Soviets and their satellites have an air force comparable to our own; and they also have atomic and hydrogen bombs.

I refer the distinguished Senator from Arizona to recent articles, among them the excellent Walkowicz article on the "Counter-Force Strategy," question of having the punishment fit the crime, and also the Leghorn article, "No need to bomb cities to win wars"—along the same line. They relate to the question of whether we can and should use nuclear weapons in peripheral wars, or wars of discrimination; or whether we should reserve such weapons for all-out wars, and so forth. That is a subject in itself.

I do not think it possible for the United States to now consider that it possesses a deterrent shield as a result of its airpower because our airpower is little greater than Communist airpower at this time, and that is especially true if we include the great advantage of a surprise attack in this nuclear age.

Therefore, I feel the massive-retaliation speech was a mistake. In a sense it was a bluff which did not work, for the Communist attack in Indochina was made after the speech was made. In my opinion, the massive-retaliation theory does not represent a military philosophy behind which we can establish the security of the United States.

I would have much more respect for that character of approach to military policies if we were not chopping our military strength in order to be sure we have the best possible financial position. I believe we are putting figures—money—before forces; I believe we are stressing our high standard of living ahead of our security. I do not think we

should be lulled by the false premise incident to the massive-retaliation theory presented last January.

As a matter of fact, many subsequent talks by this administration have been efforts, subsequent to Mr. Dulles' statement, to refute the massive retaliation theory.

Mr. GOLDWATER. Mr. President, if the Senator from Missouri will permit me to make one more observation, let me say that my question was directed at one point, namely, that while Secretary Dulles' statement might have been misunderstood or misapprehended around the world, nevertheless I believe it is the first pronouncement by anyone in this Government to indicate that we now understand airpower as a part of our national strategy.

As for the possibility that Russia and ourselves are equal either in nuclear weapons or in airplanes, I might suggest to the Senator from Missouri that such a situation almost always exists in warfare. Offhand, I cannot recall any war in which one side was predominantly stronger than the other, in the matter of weapons. So far as weapons are concerned, the situation is always one of a stand-off.

Mr. President, I thank the Senator from Missouri for permitting me to ask these questions.

Mr. HUMPHREY. Mr. President, will the Senator from Missouri yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. SYMINGTON. First, Mr. President, let me say that I always enjoy discussion on military matters with my good friend, the junior Senator from Arizona [Mr. GOLDWATER]. In World War II, he was a great pilot; and he has a broad understanding of these problems. So it is a privilege to discuss them with him on the floor of the Senate.

Now I am very glad to yield to the distinguished junior Senator from Minnesota.

Mr. HUMPHREY. First, I wish to thank the Senator from Missouri for the fine address he has made today, and to associate myself with the objectives and the philosophy of that address. I should like to ask 1 or 2 questions to round out the record. In due course, I intend to speak on my own time.

With reference to the very practical matter which faces us, is the Senator aware of the fact that over the weekend the Department of Defense announced the withdrawal of the 1st Marine Division from Korea, to return home?

Mr. SYMINGTON. This is further evidence of the policy of strength through weakness.

Mr. HUMPHREY. In other words, the Senator sees in the withdrawal of this very important combat division from a critical area a withdrawal from the scene of tension into a scene of greater calmness and solemnity. Is that correct?

Mr. SYMINGTON. Let me ask my brilliant and distinguished friend from Minnesota to consider some of the battles of the War Between the States. I refer to such encounters as Antietam, Chancellorsville, Fredericksburg, and so forth.

If one side had announced that it did not intend to give up a particular piece of ground, and the other side announced that it intended to capture that piece of ground, and then the next day it heard, or saw, that the troops of its opponent had retreated, what would be the natural reaction in terms of morale, or in terms of additional aggressiveness, on the side of those who did not retreat?

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. SYMINGTON. I am glad to yield further to my distinguished colleague.

Mr. HUMPHREY. This publicized withdrawal of the 1st Marine Division is a withdrawal from the cease-fire line in Korea. Is the Senator aware of that?

Mr. SYMINGTON. Yes.

Mr. HUMPHREY. In other words, at a time when tension in the Far East is at a critical point, to the extent that the Congress is called upon to give a pre-authorization for the use of armed forces in the Pacific area, and at a time when we are told that the world faces one of its most critical hours, we withdraw the best fighting division we have from Korea, where we know that there is a Chinese buildup for an attack at any time.

Mr. SYMINGTON. That is true.

Within recent weeks an excellent article was written by Ernest Lindley, which showed that in the past 9 months we have changed our military plans and programs 5 times. Anyone who knows anything about the military service, or industrial operations, knows that under such a type and character of procedure we are steadily wasting great sums of the taxpayers' money. This administration will probably again change its recently announced policies if what we read today is true. That will be change No. 6 in 10 months.

Mr. HUMPHREY. There was some colloquy a moment ago with the distinguished junior Senator from Arizona [Mr. GOLDWATER] over the action in Korea. Without going into the military merits or demerits of that action, is it not true that by the action in Korea the United States took on a position of strength and defense, as compared with what was happening just prior to Korea? Did we not build up our strength?

Mr. SYMINGTON. There is no question about that. The basic point about Korea is that we fought a bloody war in a limited periphery, thousands of miles away from home, primarily because we were not prepared. Yet it seems that now we are undertaking infinitely greater commitments without taking any advantage of our experience gained from the Korean war, from World War II, and from all the other wars, as to the importance of being prepared.

Now we are in the hydrogen age. The situation has never been better stated than it was by President Theodore Roosevelt when he said, "Speak softly, but carry a big stick." At a time when we are apparently becoming more belligerent and outspoken about what we intend to defend and how, we are also steadily whittling away at our stick.

Mr. HUMPHREY. Mr. President, if the Senator will permit me, I conclude with this observation. Up to the point

of the truce in Korea, the military planning and the forces in being of the United States of America were on the increase. In other words, our strength was being increased monthly. Beginning in January 1953, we cut \$5 billion from the Air Force appropriations. We cut more than \$11 billion, in terms of new money and unobligated funds, from the total defense budget. We have been steadily cutting. Even as late as December 1954, from the highest office in this land, word came that the international scene looked better, that there were better prospects for peace. My comment then was that the statement reminded me of what another President said in the spring of 1950. He said that we then confronted our best opportunity for peace, and that the prospects for peace looked better than ever before. In the spring of 1950, from high places the international scene looked good. In December of 1954, the international scene looked good. In February of 1955, the international scene looks bleak, and the cold winter of our discontent is settling upon us.

Mr. SYMINGTON. Mr. President, I agree with the junior Senator from Minnesota.

In September 1951, while the Korean war was going on, the Joint Chiefs of Staff unanimously gave to the administration and thereupon to the American people, a program for increasing our strength. Shortly after January 1953 that program was sunk. Today, in the face of the growing danger, we continue to make plans to weaken our military position. It does not make sense.

Mr. President, I yield the floor.

#### THE DEFENSE OF FORMOSA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial written by Mr. Charles A. Sprague, former Republican Governor of the State of Oregon, in connection with the Formosan issue. The editorial is dated January 24, 1955.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IT SEEMS TO ME  
(By Charles A. Sprague)

CHICAGO, January 24.—The afternoon papers report President Eisenhower's appeal to Congress for authorization to use United States military forces for defending Formosa and the Pescadores from conquest by Red China. This will require United States assistance in ferrying Nationalist troops from the exposed islands adjacent to the mainland. Then the President made this startling declaration of policy:

"Be alert to any concentration of employment of Chinese Communist forces obviously undertaken to facilitate attack upon Formosa, and be prepared to take appropriate military action."

There in minuscule but nonetheless sharp and clear is "preventive war." We would not only defend Formosa from Communist attack but bomb troop concentrations and boat assemblies which point to the launching of a Red invasion of Formosa. The President's message brought a prompt rejoinder from Premier Chou En-lai of Communist China, denouncing United States intervention in China's affairs, even quoting the Charter of

United Nations in support of the Communist decision.

The Daily News here reports this conflict of policy between the United States and Red China; and between the two statements runs a dispatch from its own veteran correspondent in the Far East, Keyes Beech, who reported from Taipei, Formosa:

"The United States is closer to war with Red China than at any time since the critical battle of Dien Bien Phu."

He reported before Eisenhower's message reached him and based his judgment on the imminent evacuation of Nationalists from the Tachen islands which would expose American shipping to Communist bombing or shelling.

I persist in the view that no general war between the United States and Red China will break out in the immediate future. But the ratification of the treaty with Chiang and the grant of authority by the Congress to the Executive to defend Formosa even to the extent of destroying Communist military concentrations preparing for an invasion freezes hostility which points toward war. This seems to me to be a wrong course.

The President says: "Our purpose is peace;" but goes on to say that Red China's threats pose a serious danger to this country's security, "and indeed to the peace of the world." But do not our formal warnings amount to threats which endanger peace in the Orient and perhaps for the world?

Our Government faces very critical problems and seeks I know solutions which will preserve our national security without resort to war, if that is possible. It inherited this defense of Formosa from the Truman Administration. I cannot help but believe, however, that we are letting Formosa become a stone around our necks. Instead of becoming more deeply involved with Chiang Kai-shek we should seek honorable release from our extended commitments through processes of negotiation or mediation.

Mr. MORSE. I wish to associate myself with Governor Sprague's remarks. I desire particularly to emphasize this paragraph:

I persist in the view that no general war between the United States and Red China will break out in the immediate future. But the ratification of the treaty with Chiang and the grant of authority by the Congress to the Executive to defend Formosa even to the extent of destroying Communist military concentrations preparing for an invasion freezes hostility which points toward war. This seems to me to be a wrong course.

Governor Sprague then goes on to expand his point of view. I think he is unanswerably right, and in my judgment the events of history will prove how right he is.

I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial from the February 3, 1955, issue of the Manchester Guardian weekly. It is not complimentary to the United States or to Red China, or to the course of action which is being followed in Asia. It gives some support to the view of a few of us who have dared to rise on the floor of the Senate and caution our country about what we think is a greatly mistaken course of action in Asia.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### STAND BACK

The Commonwealth conference is opportune. Having no doubt begun with Formosa it may unite the commonwealth governments in saying some necessary words to China and the United States. These words should be said plainly, whether in public

through a joint declaration or in private through Mr. Nehru and Sir Anthony Eden. China should be told that any attempt to take Formosa by force would be wrong and would certainly bring upon her severe American action. It would be wrong in law and humanity. The legal question is, admittedly, obscured because the status of Formosa as an island seems in suspense. The Japanese peace treaty removed it from Japan, but no other treaty has returned it to China; the Cairo and Potsdam declarations were expressions of intent and were subject to review, which has not yet taken place. But whatever the legal position, there is a much greater aspect in humanity. It is that a Chinese attempt to take Formosa by force would lead to immense slaughter even if the Americans did not intervene. For the Nationalists it would be a last stand, since they have nowhere else to go and could expect no mercy from the Communists. The inevitable slaughter is something that no civilized nation could condone. It would be wrong by any acceptable standard of morals and by the spirit of the United Nations Charter. If Nationalist attacks upon the mainland are stopped—as we must hope they will be by the United States at once—the Chinese Communists would condemn themselves of barbaric inhumanity if they were to try taking Formosa by force. The reiterated threats from Peking to exterminate Chiang's "traitorous" clique may have some justification while the Nationalists continue bombing the mainland, but they will have none when such attacks finally cease. Then an assault across the straits would bring upon China not only the military weight of America but the moral hostility of most other nations.

To the United States also stern words should be said by the Commonwealth conference. It must withdraw the Nationalists to Formosa and the Pescadores at once and confine them there. To pretend that the United States cannot stop the bombing across the Straits is nonsense. The aircraft are American, the bombs American, and the Nationalist headquarters are in close consultation with the American military commanders. The bombing would stop tomorrow if Washington insisted. The United States should further be told that its reasons for supporting the defence of the Matsu and Quemoy islands are gravely mistaken. It is an error even to say, as the State Department is now doing, that these islands should not be abandoned except as part of a negotiated cease-fire. The chances of negotiating a cease-fire now are tiny, whereas the chance of producing a cease-fire by direct action are great. The comment from Peking leaves little likelihood that the fighting can be stopped through negotiation, whether by the Security Council or some other agency. But by physically separating the forces—by putting the width of the Straits between them—a cease-fire may be produced in fact if not formally. The Chinese would probably not want to challenge the American Seventh Fleet, especially if the mainland were no longer being hit. They would continue to fulminate, but the fighting would be over. The Commonwealth countries ought strongly to advocate this practical method of reaching a cease-fire. One other thing they ought to say to the United States. It is that the maneuvering of American naval and air units beside the Tachen islands or anywhere close inshore is highly dangerous and should be avoided. Mr. Molotov has given a plain hint that if it is known which islands are being evacuated by the Nationalists their departure will be unmolested. Let that be tested in practice. The alternative of providing American naval and air cover means sending ships and planes over Chinese territory and through territorial waters. A small skirmish—perhaps starting with reconnaissance patrols on each side—may draw in greater units and so lead to a violent explosion. The risk is not worth taking.



Mr. MORSE. Mr. President, I shall not take time today to discuss the Formosa treaty. I voted against it in the Foreign Relations Committee this morning. I shall state my reasons in opposition to that treaty tomorrow; but because I have been pressed by the newspapers at least to give some inkling of the reason for my opposition to the treaty, let me say that I believe in saying what we mean and meaning what we say. In the treaty we do not say what we mean. The evidence of it is that this morning the majority of the Foreign Relations Committee had to agree upon language to be embodied in the committee's report which qualifies and changes the meaning of the treaty, so far as they, as individuals, are concerned. But the sad thing is that every member of the Foreign Relations Committee knows that language written into a committee report has no legal status whatever so far as the meaning of the treaty under international law is concerned.

In a Senate committee report Senators can write to their heart's content their views and ideas of what they think should be in a treaty itself. But unless the provisions they favor are embodied in the treaty itself, they have no standing in the eyes of treaty law. As a member of the Committee on Foreign Relations, I do not propose to vote for a treaty which does not convey the meaning I believe it should convey, and then go along with some explanatory or clarifying language in a committee report which has no legal effect upon the treaty itself. The fact is that if we mean what we say in a committee report, we ought to write it into the treaty.

I believe the American people will understand that. I believe the American people want us to mean what we say, and to say what we mean.

I should like to say, for the benefit of the press, that my last argument on this point today is: I do not believe in entering into a treaty with a man who is involved in a civil war in China. We have legal rights in Formosa under international law. We ought to protect those rights. But we should not enter into a treaty with a participant in a civil war, who even as recently as within the last few hours has notified the world of his intention to return to the mainland of China.

Mr. President, when we ratify the treaty I hope Senators will remember that we place ourselves under the moral obligation to back up what it says.

We will not get very far by saying, "Oh, literally, we will not have to go along with any attack on the mainland."

Moreover, Mr. President, we will strengthen Chiang's claim to sovereign rights over Formosa. At the present time, under international law, no one owns Formosa. The question of ownership ought to be settled by the juridical processes of the United Nations. It cannot be denied that even the Secretary of State admits that if we enter into the treaty we necessarily strengthen the claim of the Nationalist Chinese to sovereign rights over Formosa. When we do that we augment the danger of war in Asia. We do not augment the danger

of a war in Asia if we hold fast to the principle of the joint resolution which Congress passed with respect to our right to defend Formosa.

As the Manchester Guardian points out, we greatly enhance the danger of our whole position in Asia when we go along with the ambiguities of the resolution—and the same thing applies to the treaty—with respect to defending areas outside the island of Formosa and the Pescadores.

I believe that is sufficient for me to say today, to enable the press to have some understanding of the legal basis of my objection to the treaty.

Oh, I know that it will be called another one of those legalisms. Mr. President, we have actually reached such a point in debate in the Senate that when we argue in favor of respecting existing international law, we are charged with resorting to legalisms. Let me tell everyone that my country cannot afford to walk out on the obligations we owe in international law, and we cannot justify such a course. With all the emphasis at my command I say that we cannot afford to besmirch the glorious record the United States has maintained for all the decades of its history of standing fast to its obligations under international law. In both the joint resolution which has been passed and in the treaty, in my judgment, we are not keeping faith with the international law obligations of this country. If that is resorting to a legalism, I plead guilty.

I am willing to let history be the judge as to whether the fight we made in opposition to the joint resolution was justified and whether the fight we will make in opposition to the treaty will be justified so far as the best interests of this country are concerned. Eventually we will have to submit our cause to a juridical tribunal. I hope we will be able to hold up our heads and take the judgment of history on the record we make.

Let me say that on the record we are making, both in the joint resolution and in the treaty, we are headed straight for a decision against us in the decades ahead by any juridical tribunal that lets international law be the basis of its decision.

Mr. LEHMAN. Mr. President, when the joint resolution giving the very broad powers to the President of the United States was before the Senate last week, I stood beside the distinguished senior Senator from Oregon [Mr. MORSE] in voting to limit those powers and finally in voting against the joint resolution. I did so because I felt strongly that the resolution would increase the danger of our country becoming involved in a disastrous and catastrophic war, and would also cause us to surrender the sound juridical positions which this country must always assume and follow if we are to have the confidence and support of the free world.

I wish to make it very clear that I intend to support the Senator's position when the debate on the treaty begins tomorrow. In the meantime, this afternoon I wish to associate myself with his remarks and with his reasoning. I, of course, expect in due time to speak at

length on several of the provisions of the treaty.

I cannot help but express very deep regret that the treaty, which is certainly as important and far reaching in its effect as any treaty that has come before the Senate in a generation or more, should be hurried through with as little chance for orderly consideration as is proposed.

I hope there will be full debate on the treaty.

There has been very brief consideration of the treaty by the Committee on Foreign Relations. The report of the committee is not yet available, and probably it will not be available until shortly before the treaty is called up in the Senate. The public has had no chance to study or consider it.

I think that is most unfortunate. A treaty of such importance should be given ample consideration in committee, and on the floor of the Senate, after deliberate and careful study. And above all, the public should have an opportunity to know and give weight to its implications.

Only 15 Senators serve on the Committee on Foreign Relations. For an account of what happened in the committee room the other 81 Senators must in great part depend upon the report of the committee. That report will not be available until tomorrow very shortly before the treaty is taken up in the Chamber. The public will have little or no chance to know how it affects them or time to make their views known to their representatives in the Congress. The issue before us is much too important and far-reaching to be determined in this summary fashion.

#### LEGISLATIVE PROGRAM

Mr. CLEMENTS. Mr. President, I should like to announce the program for the Senate beginning tomorrow.

When the Senate concludes its business today, it will adjourn until tomorrow, when the legislative program will be as follows:

First, the Senate will take up H. R. 587, commonly known as the GI bill, to provide that persons serving in the Armed Forces on January 31, 1955, may continue to obtain educational benefits under the Veterans' Readjustment Assistance Act of 1952, and for other purposes.

Following the disposition of that bill, the Senate will consider Senate Joint Resolution 14, which deals with the Olympic Games, which should take very little time to consider.

Following the disposition of those two measures, the Senate will take up the treaty between the United States and the Republic of China. How long consideration of the treaty will take, of course, will be determined by the membership of the Senate.

#### TAX EXEMPTIONS IN PUERTO RICO

Mr. BENNETT. Mr. President, the junior Senator from Utah rises to remark the twilight of a principle that most of us have always accepted as everlasting, a principle contained in the

famous phrase, "There is nothing more certain than death and taxes."

Death we still have with us, but those of us who have accepted taxes as inevitable and eternal have reckoned without the genius of a great American tax authority, Mr. Beardsley Ruml. This history-making achievement deserves reporting in Mr. Ruml's own words, which I shall read from an advertisement which has appeared recently in several of our more forward-looking weekly magazines and daily newspapers. The text I have before me appeared in the New York Times of Sunday, January 23, 1955.

The headline reads "Now Puerto Rico Offers a 100-Percent Tax Exemption to New Industry."

It is written by Mr. Beardsley Ruml. It continues:

"We do not want runaway industry," says Governor Muñoz, "but we want new and expanding industries. To get them we promise freedom from all taxes, local and Federal."

Let me repeat the heart of Mr. Ruml's achievement so that its full import will sink in:

We want new and expanding industries. To get them we promise freedom from all taxes, local and Federal.

No wonder another American businessman, now resident of Puerto Rico, can be quoted in the advertisement as having said, "The climate is probably as close to Paradise as man will ever see." If he refers to the tax climate, this is a modest understatement. It is Paradise, pure and undefiled.

Lest any reader should believe this is mere enthusiasm, the advertisement features a box, setting forth in cold figures the glorious prospects. First it gives examples of "how corporate tax exemption boosts profits." One of these says that if a mainland corporation's profit after United States corporate income tax is \$485,500, its net profit in Puerto Rico would be \$1 million, a gain of 106 percent.

But this is only the beginning. In this Paradise they have dividend tax exemption, too. These twin exemptions, corporate and dividend, can really produce a money miracle.

Consider first the case of a mainlander who is the sole owner of a corporation earning \$1 million a year. On the mainland, after corporate taxes, this will shrink to \$480,000; and if he pays all that to himself as a dividend, he has less than \$70,000 to spend, 7 percent for himself and 93 percent for Uncle Sam.

And then he reads Ruml's advertisement and moves his corporation and himself to Paradise. Here he begins and ends—with his million intact, tax-free—14 times better off than he was. All this is also explained with beautiful figures in another section of the advertisement captioned "How Dividend Tax Exemption Boosts Income."

But lest the reader of the advertisement be left to believe that these figures are theoretical only, Mr. Ruml quotes a specific instance of an actual blessing that has already come to pass.

He says:

A recent analysis for one Ohio firm revealed that due to tax exemption and oper-

ating economies, it will increase its net profit from \$187,000 to \$442,000 a year by locating its plant in Puerto Rico.

As a member of the Senate Finance Committee, Mr. President, I feel some responsibility for our Federal income-tax structure, which Mr. Ruml dismisses so lightheartedly. Therefore I have rapidly developed what might be called a professional curiosity about what goes on. This speech is in the nature of a very preliminary report.

First, why can Puerto Rico offer Federal-tax exemptions to emigrant mainland industries? The first step was taken approximately 36 years ago in the Organic Act, which provided that residents of Puerto Rico, who by the act also became American citizens, would not be subject to the Federal income tax.

However, the real gimmick appeared in 1950, when the law was changed to provide that citizens born or naturalized anywhere in the United States, but who later became residents of Puerto Rico, could enjoy the same exclusion privilege with respect to income earned from sources within Puerto Rico. A similar privilege was provided for corporations. These provisions were affirmed in the 1954 Revenue Act, specifically by sections 931, 932, and 933 of the Internal Revenue Code of 1954.

Does that mean that all such citizens and corporations during these years have escaped income tax in Puerto Rico? By no means—because the Commonwealth has set up its own system of Commonwealth income taxes roughly paralleling our own, and we can assume that, at least until recently, these taxes have been applied for the benefit of the revenue of the Commonwealth.

But the Puerto Rican tax structure is fearfully and wonderfully made, for it contains a most unusual feature known as "industrial tax exemptions." This permits the government of the island to give complete exemptions from the Puerto Rican individual or corporate income tax, or any other island taxes, to income derived from investments in Puerto Rico. Under the Puerto Rican law, the investment must be unique in Puerto Rico, or of a type the government believes will aid the economy. It is this feature of the act which Mr. Ruml now advertises in leading American papers and magazines as an inducement for American industry to come to Puerto Rico. The fact that the government reserves the right to give this exemption at all constitutes a frightening departure from the principle of equality before the law on which our whole theory of American taxation is based. This is empirical bureaucratic determination of basic tax obligations, which anyone with a ready imagination can translate into potential official favoritism. To quote the advertisement again:

To get all the facts and find out whether you and your company would be eligible for complete tax exemption, mail the coupon below.

The address, of course, is 579 Fifth Avenue, New York 17, N. Y.

Mr. Ruml, in his advertisement, says:

This is perhaps Puerto Rico's finest hour and the United States manufacturers who

decide to become a part of it will not go unrewarded financially or spiritually.

There is no question about the financial reward, but since the blatant tone of this advertisement is tax avoidance, I question the spiritual benefits, even though the advertisement steers close to the wind of morality and quotes Governor Muñoz as saying, "We do not want runaway industry."

As though this were not paradise enough, Puerto Rico offers really to gild the lily. To quote the advertisement again:

The Commonwealth will leave no stone unturned to get you started. It will build a factory for you. It will help you secure finance. It will even screen job applicants for you—and then train them to operate your machines.

There is at least an inference in these statements that this will be done, either without cost or a rate below the corresponding rate on the mainland. And, there are still more blessings to come tumbling out of this golden cornucopia. Puerto Rico is not bound by our Federal minimum wage laws. Its average industrial wage rate is about 45 cents an hour as compared with about \$1.35 an hour for similar industries on the mainland, and costs will reflect this great competitive advantage. No taxes—low wages. Let us stop and add this up.

"Come to Puerto Rico," says the government of the Commonwealth. We will finance your company, build your building, train your people, all at government expense. Then you can build larger profits on a wage scale two-thirds below that on the mainland, and we will exempt the whole shebang from any taxes—factory, corporate profits and dividends—provided we like you well enough to agree that your company is either unique or of a type that will aid the economy.

So long as the tax and other advantages given in Puerto Rico operated largely, if not solely, to increase the standard of living in the Commonwealth, we in the Congress, and specifically in the Senate Finance Committee, could probably maintain a benevolent blindness to its effect on the Federal revenue, but when official advertisements, which quote the Governor and carry the authoritative hallmark of Mr. Beardsley Ruml, are printed in mainland newspapers, inviting persons and corporations from the mainland to come to Puerto Rico and escape from their share of the tax burden that is being borne by all of us who remain on our native mainland soil, including all corporations and most American wage earners, I think it is time the whole problem is carefully studied.

Exemption of native born Puerto Ricans and their emigrant ex-mainland neighbors is not the only fiscal advantage this Commonwealth has been given. Its most conspicuous export to the mainland has been the native rum on which the American liquor stamp tax amounts to approximately \$16 million a year. We obligingly collect this tax and then turn right around and give it back, in full, to the Puerto Rican Government.

On the surface, this adds up to paradise all right, but maybe this paradise,



like the one in Genesis, will not last forever.

Though the advertisement does not say so, the present Puerto Rican tax exemption law will provide complete 100 percent exemption only until June 30, 1959, then it will fall rapidly—1 year at 75 percent, 1 year at 50 percent, 1 year at 25 percent, and after June 30, 1962—nothing. But, of course, they can always extend the period, as we do so well here in Congress.

And there have been other doubts cast on the accuracy of the advertisement. When it appeared in the New York Times on January 23, it said in further describing this paradise:

The swimming, sailing, and fishing are out of this world—and your wife will rejoice to hear that domestic help is abundant.

Only 2 days later, January 25, there appeared in the Washington Post, a George Dixon column entitled "The Big Switch" which said:

New York's Puerto Rican problem had its genesis in the servant shortage—the ladies of Manhattan yearned so desperately for serf-like nursemaids, scullery maids, cooks, butlers, and general suckers of all work that they began importing Puerto Ricans in clusters, like coconuts—the movement finally reached such proportion that one of the most ironic switches imaginable has come to pass. The Puerto Ricans are now trying to import servants from the Dominican Republic.

So, sadly, we must read Mr. Ruml's advertisement with Mr. Dixon's correction as follows:

And your wife will rejoice to hear that domestic help is abundant if you can find it in the Dominican Republic.

I think it is time this whole thing is carefully reviewed. There is considerable potential loss of Federal Revenue inherent in this situation. Not only will we lose the tax income from those who emigrate to Puerto Rico, but to the extent that wage and tax advantages there are translated into lower competitive prices, we may find our income from taxes paid by their mainland competitors reduced.

Finally, I am intrigued by Mr. Ruml's sponsorship of such an advertisement. By the ordinary American income taxpayer, he is remembered as the father of "pay as you go," and the withholding tax. Now, to the favored emigrant to Puerto Rico he says, "If you go, you don't have to pay." I confess, I am coming to look with a jaundiced eye at this conception of a taxless Eden, with its twin angels—rum and Ruml.

This is a situation we must watch.

#### EXECUTIVE SESSION

Mr. CLEMENTS. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. McNAMARA in the chair) laid before the Senate messages from the President of the United States submitting sundry

nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Jacob A. Haller, Jr., and sundry other candidates for personnel action in the regular corps of the Public Health Service.

#### TREATY WITH NATIONALIST CHINA

Mr. GEORGE, from the Committee on Foreign Relations, to which was referred Executive A, 84th Congress, 1st session, the mutual defense treaty between the United States of America and the Republic of China, signed at Washington on December 2, 1954, reported it favorably with a report (Ex. Rept. No. 2).

#### AUTHORIZATION TO THE COMMITTEE ON FOREIGN RELATIONS TO FILE REPORT DURING ADJOURNMENT OF THE SENATE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Committee on Foreign Relations may be permitted to file its report on the treaty between the United States and the Republic of China during the adjournment of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

#### DEPARTMENT OF THE ARMY

The legislative clerk read the nomination of Charles C. Finucane, of the State of Washington, to be Under Secretary of the Army.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### DEPARTMENT OF THE NAVY

The legislative clerk read the nomination of Albert Pratt of Massachusetts, to be an Assistant Secretary of the Navy.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### NATIONAL SECURITY TRAINING COMMISSION

The legislative clerk read the nomination of Gen. Walter Bedell Smith, United States Army, retired, to be a member of the National Security Training Commission for the remainder of the term expiring June 19, 1956.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of Harlan Bruce Munger, of New

York, to be a member of the Federal Farm Credit Board, Farm Credit Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of George P. Daley, of Minnesota, to be a member of the Federal Farm Credit Board, Farm Credit Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. HUMPHREY. Mr. President, with reference to the nomination of George P. Daley and its confirmation, I wish to say that we in Minnesota have the highest regard for this very distinguished citizen, who is one of the most prominent citizens of the State in the field of agriculture, and his appointment by the President and his confirmation by the Senate will be all for the public good.

The PRESIDING OFFICER. The clerk will state the next nomination on the calendar.

#### THE ARMY

The legislative clerk proceeded to read sundry nominations of officers for promotion as reserve commissioned officers of the Army.

The PRESIDING OFFICER. Without objection, the nominations in the Army are confirmed en bloc.

#### NOMINATION OF SENATOR THURMOND TO BE BRIGADIER GENERAL IN THE ARMY RESERVE

Mr. CLEMENTS. Mr. President, I should like the RECORD to show that the junior Senator from South Carolina [Mr. THURMOND] would wish to be recorded as supporting the confirmation of the nominations of all the officers mentioned, save and except himself.

The name of the distinguished junior Senator from South Carolina will be found on page 3 of the executive calendar, where he is nominated to be promoted from the rank of colonel to the rank of brigadier general.

Mr. HOLLAND. Mr. President, I should like to have it noted that the Senate is feeling considerable pride in connection with the fact that one of its Members, formerly a colonel in the U. S. Army Reserve, has just been made a brigadier general. I should like to extend my compliments and congratulations to the distinguished Senator and to the great State of South Carolina over which he presided so graciously and effectively as its Governor, and which he now represents so ably as its junior Senator.

The entire Senate, I am certain, joins with me in expressing its pride and gratification in the fact that this fine Senator and splendid public servant in time of peace has found occasion to stay active in the Army Reserve until he now has attained the rank of Brigadier General.

Incidentally, I think we all know, with pride, that Senator Thurmond is at this time the president of the Association

of the Reserve Officers of the United States.

I wish to express my own pride and pleasure, and I feel certain that all other Senators will wish to join with me in that expression.

Mr. BENNETT. Mr. President, as the acting minority leader, I claim the privilege of expressing for all Members on this side of the aisle our satisfaction and joy in joining in the confirmation of the nomination of our new colleague from South Carolina. The junior Senator from South Carolina is in many ways a remarkable freshman Senator. He brings to the Senate not only a wonderful career, but also a very interesting election tradition. We look for great things from him.

So far as I am concerned, I observe that the junior Senator from South Carolina has replaced me physically in the office I have occupied for four years. I hope, in reverse, that I may thus get some inspiration from that relationship.

#### THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. CLEMENTS. Mr. President, I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations in the Navy are confirmed en bloc.

#### MARINE CORPS

The legislative clerk read the nomination of Brig. Gen. Raymond A. Anderson, United States Marine Corps, to be Quartermaster General of the Marine Corps, with the rank of major general, for a period of 2 years from February 1, 1955.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### NOMINATIONS REPORTED FAVORABLY AND PLACED ON THE VICE PRESIDENT'S DESK

The PRESIDING OFFICER. The question now is on the confirmation of the nominations of George N. Anderson and 688 other officers for promotion in the Regular Army of the United States, which were reported favorably by the Senator from Mississippi [Mr. STENNIS] from the Committee on Armed Services, and were received by the Senate on January 21, 1955. The nominations were ordered to lie on the Vice President's desk in order to avoid duplicate printing.

Is there objection to the confirmation of the nominations? The Chair hears none, and the nominations are confirmed en bloc.

Mr. CLEMENTS. I ask that the President be notified of all nominations confirmed today.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nominations.

The Senate resumed legislative business.

#### THE FARM BLOC DIEHARDS

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an excellent, highly pertinent editorial entitled "The Farm Bloc Diehards," published in today's New York Times.

In order that there may be no misunderstanding as to the position taken in this excellent article by this leading newspaper, I wish to quote with particular approval the last two sentences of the editorial, as follows:

While the fantastic farm surplus accumulated over the past few years is an economic burden on the Nation and a vexing problem to the Government, it has at least one compensating virtue. It is not only a standing monument to the folly of those responsible for the policy of high, rigid price supports, but a warning of what might be expected to follow a return to that disastrous program.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Florida?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE FARM BLOC DIEHARDS

When the Senate voted 49-44 last August to substitute flexible farm price supports for the rigid 90 percent supports obtaining in the Nation's so-called "basic" farm commodities it marked the culmination of one of the most difficult and important struggles in the entire legislative program of the Eisenhower administration. It meant the scrapping, at long last, of the machinery that had been set up to meet the emergency created by World War II and to which short-sighted farm bloc leaders in Congress had clung ever since as a vested interest with all the tenacity and strength at their command. It meant a return to the apparatus that had been employed previous to the war and to which the Congress had contemplated a return 2 years after the war came to an end.

The fact that the process of wartime overstimulation of production was maintained long after the need for it had passed is reflected in the mountain of surplus farm commodities that has backed up into Government hands in these post-war years. Only now has it been possible even to make a beginning in the complicated and time-consuming task of reducing this enormous hoard from its present level of roughly \$7 billions.

But the leaders of the farm bloc are still not reconciled, apparently, to the fact that the war is over. Senator JOHNSTON of South Carolina made a speech from the floor at the end of last week calling for the restoration of rigid price supports "for the next 3 years" and has introduced a bill which would have that effect. A companion measure, sponsored by Representative COOLEY, Chairman of the House Committee on Agriculture, is already before that committee. Senator YOUNG, as few readers will be surprised to note, is cosponsoring a similar measure with Senator RUSSELL of Georgia.

There is little reason to believe that these exponents of a discredited cause will succeed in reversing last year's historic return to sanity on the issue of price supports. While the fantastic farm surplus accumulated over the past few years is an economic burden on the Nation and a vexing problem to the Government, it has at least one compensating virtue. It is not only a standing monument to the folly of those responsible for the policy of high, rigid price supports, but a warning of what might be expected to follow a return to that disastrous program.

#### VIEWS ON UNITED STATES FOREIGN POLICY

Mr. HUMPHREY. Mr. President, earlier today, as we listened to the distinguished junior Senator from Missouri [Mr. SYMINGTON] address the Senate, many of us in the Chamber rose to express our general agreement with the thesis of his argument and with the observation he was making in reference to the reduction of our Armed Forces in this hour of tension and crisis. I wish to take a few minutes of the time of the Senate to make observations upon some developments which have concerned me as, I am certain, they have concerned others.

The foreign policy of the United States is not a partisan affair; at least, it should not be. The defense of this Nation should be the responsibility, the privilege, and the duty of all.

I think each and every one of us is hoping and praying that the policy of our Government will lead to peace—peace with honor and peace with freedom. But I think we would be derelict in our responsibilities if we did not, at least, wish to make a constructive analysis of what has been transpiring and, at least, some pertinent observations as to what the future may offer. I think it is fair to say that none of us can safely predict the future, but we can certainly learn from the past and thereby have some guidance for the future.

My first observation is that it was natural and to be expected that following World War II there would be a desire in this Nation for a reduction in our Armed Forces and a return to what has so traditionally been called normalcy. Of course, we all know that following any war there is no such thing as normalcy, and there is no such period to return to.

But from 1946 through 1949 we witnessed in this Nation, not as a matter of political policy alone, but as a matter of desire on the part of the American people, a substantial reduction—yes, an almost crucial reduction—in the military strength of the United States of America. We dedicated our efforts toward the economic rehabilitation of our allies, and then toward the compassionate use of our goods and services, even to those who had been our enemies.

Then we recall that period when we settled down to the overall economic strengthening of the NATO nations, the nations of Western Europe; and finally the extension of economic and military assistance to friendly nations all around the globe.

I desire the record to be clear that despite all the tortures and sacrifices of the war in Korea, the disappointment of the war in Korea, and the disappointment of many persons in the manner of its conclusion, I think it is fair to say that the Soviet Union made a mistake in North Korea. It is true to say at this hour that because of the tragedy of Korea, the American people were alerted to the danger in the world, and we set about the task, late as it was, to build the strength of this Nation. It was the war in Korea which compelled us to strengthen our Air Force, to expand and



strengthen our Army, and to rehabilitate and revitalize our Navy. Then, at long last, the American people and their Government were in a position to back up their diplomacy with power.

Negotiation on the part of a free country, such as ours, is dependent upon maximum strength, strength which is clearly understood by friend and foe alike. That strength must be not only in our own country and our own people, but also in our allies. Therefore, it is of the utmost importance that the great Western alliance nations, the nations of the North Atlantic Treaty Organization, be further strengthened in every way in which it is humanly possible. It is very important that we try to bring into the circle of our friends and into the orbit of freedom more and more peoples, and to bind them together in a common defense, in collective security, in a compact or a series of compacts, which will provide the maximum amount of strength for one and all.

But what has been happening? Following the truce in Korea, which was longed for by the American people—I shall not discuss its terms, because the truce in Korea is a subject of sharp debate and difference of opinion—following the truce in Korea, immediate moves were taken by the United States Government, on the basis that some kind of peace had been arrived at to reduce the strength of this Nation's Armed Forces. This was done in the name of economy, in the name of balancing the budget, in the name of deficit financing. As the Senator from Missouri has pointed out, the military policy of this country has changed as much as 5 or 6 times in the past year. For example, 2 years ago we saw a drastic cut in the Air Force. Last year we saw an admission of the mistake and the replenishing of the funds. The only result of that policy was to lose time in production and contract authorization, and thereby place us further behind in the buildup of our air power and air strength.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Missouri.

Mr. SYMINGTON. In the statement made by the Secretary of Defense, he stated that expenditures in the Military Establishment this year will be reduced by \$1,750,000,000. In other words, he does not intend to spend one billion three quarters of a million dollars of the money which has been appropriated by the Congress. He has not stated where he will put those reductions into effect. Would not the Senator from Minnesota agree that the only way he could obtain such reductions would be, one, by impounding the money appropriated by the Congress, or, two, planning, with the civilian secretaries of the three services, deliberate slippages in the military program?

Mr. HUMPHREY. I think the Senator is correct. I may say that once before, in another administration, we had an instance of certain money appropriated by the Congress for the Air Force being impounded and held back for the purposes of contract and buildup of air-

power. Without intending to make any party reference at all, such action is a mistake. We ought to have learned that lesson from the previous sacrifices and the previous difficulties that we have had in this area of military strength.

Mr. SYMINGTON. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Will not the Senator from Minnesota agree with me that the impounding by the President of the moneys in 1948 and 1949 appropriated by the Congress for the Air Force was far different from the apparent impounding of money this time by the Secretary of Defense, who at the same time does not say which service is going to come up with the enforced savings?

Mr. HUMPHREY. Yes; I say there is considerable difference.

Mr. SYMINGTON. I thank the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, what I have said thus far may well be termed a preface to what I wish to say now in terms of the immediate, or at least the recent and contemporary, period. We witnessed a certain program at the Geneva Conference. Prior to that conference there was a meeting in Berlin, at which time our Government joined with France in extending an invitation to a conference at Geneva for the purpose of a discussion of the Indochinese war and its settlement. I recognize that our representatives were working under severe pressure, particularly from our ally France, and undoubtedly also from our ally, Britain, the British Empire, and its representatives. But I state here again, as I have stated publicly throughout the country, that the American degree of participation in the Geneva Conference was beneath the dignity of the country in terms of the kind of leadership we should have extended. Out of that conference came a settlement of the Indochina fighting. It is our hope that something can be salvaged from that agreement. We are sending to that area a former chief of staff, General Collins. He is being assigned to South Vietnam to strengthen that country so it can stay free.

Mr. President, I used this example of Geneva for a purpose which will soon be obvious. In recent months we have viewed the failure of the European defense treaty, that failure taking place in the French Parliament. Following that there was the London agreement, which resulted in a formula for the rearmament of Western Germany. Once the London agreement was presented to the respective parliaments, it had to be subjected to difficult debate and decision. The Government of France, under Mendes-France, finally was able to get through the Chamber of Deputies, by a close vote, the ratification of that aspect of the London agreement which pertained to the rearmament of Western Germany. That Government of France has fallen, and France finds itself in a very unfortunate and most indecisive position.

Mr. President, I think the Members of the Senate should remember that for months the Soviet Union, through its

leadership, has been preparing the Soviet people for war. There has been a change in Russia's propaganda which, if not brought to the attention of the Senate, should have been. I have seen it again and again in reports I have read from scholars of Soviet propaganda. But there has been little information to those of us who have to share in the making of these policy decisions.

I repeat, for over 5 months the Soviet people have been conditioned to what happened today in the meeting of the two houses of the Soviet Parliament. If anyone has any doubt about that fact at all, I invite him to examine the propaganda which has been fed to the people of the Soviet Union.

Further, we have witnessed the Soviet Union threats on the Germans, the French, and the British, that they would break their alliances and treaties if those countries were to yield to what Russia called American leadership and American advocacy of Western German rearmament. It is to the credit of France, England, and Chancellor Adenauer of Western Germany, and the coalition that he has, that thus far they have stood firm.

Make no mistake, while threats and intimidation have been going on, something else has been happening. The Soviet Union has offered a peace treaty within the last month to Japan. Russia has made repeated offerings and solicitations to the Western Germans for the unification of West and East Germany. I believe what is going on in the Far East is all part of a general strategy that has been laid down from the Kremlin carefully and precisely, just as I am confident that the attack of the North Koreans upon South Korea was masterminded by the Soviets. That plan misfired. Russia's objective was not realized. The attack was stopped, and Russia's whole purpose of being able to encircle Japan, cut it off, and finally take it into its orbit, and move into Japan was checked by the timely resistance of the American Armed Forces and the action of the United Nations. We received help from some of our allies in the United Nations, together with the valiant service and courage of the men, women, and troops of South Korea.

In September—at the very time when there was talk of the London agreements and when there was talk of the Manila pact—we witnessed the attacks on the islands of Quemoy and Matsu. That was a step-up of what might be called the cold war by intimidation and violence. All the time these attacks are occurring, we see the Soviet Union using every trick in its black kit of treachery, which is a part of its diplomacy, to intimidate our friends in Western Europe.

Recently our country has been brought to believe that the major question before the whole world is Formosa. Mr. President, do not misunderstand me; I voted for the Formosan joint resolution. I had some doubts as to all its implications; but I resolved those doubts in terms of faith in our Commander in Chief, the President of the United States, and also in terms of the vital need of

our country, namely, the security of the United States.

But, Mr. President, although Formosa is an important part of the defense line of our country, I repeat here what I have said privately to friends and publicly to audiences and in conferences with radio, newspaper, and television people, namely, that the grand prize of Soviet strategy—today, tomorrow, and next month—is Western Germany: Germany, with her air power; Germany, with her millions of people; Germany, with her industrial strength and with her science and technology; Germany, with her central position in Western Europe.

Let me repeat as a warning, this afternoon, Mr. President, that today Germany is in a more precarious situation, in terms of her affiliation with the West, than she has been at any other time in recent years. Today the government of Chancellor Adenauer is weaker than it was last week. If all my colleagues do not know it, let them read the press of Germany. If we do that, we shall find that today the strength Chancellor Adenauer had a year ago is slowly being whittled away. I rise now to pay tribute to that great man, who has been our friend, and who has been a staunch friend of freedom throughout his life. But today his power is weak, and it was not helped by the collapse of the French Government of Mendes-France.

I repeat that today the Soviets are pressing, with every means at their command, to have the eyes of America turned to the east, while they pick off the plum, the grand prize, of their diplomacy and their maneuverings, namely, to have a neutral Germany, which the Russians hope then would turn toward the east, in line with a Germany's traditional trade pattern. Mr. President, we need to be students of history. Germany has always traded with the east, and she has had some common interest with Russia in the east, in the past. Today, there is in Germany a large bloc of persons who have been advocating a neutral Germany—and I am not referring to the Social Democrats alone, who are a political party. Instead, I am speaking of the great industrialists and of a former Chancellor of Germany, Mr. Brüning, who only last summer, when speaking to a group of industrial leaders, assembled in Dusseldorf, the capital of the great German industrial combines, said it was Germany's destiny to be a balance between the west and the east. So he called upon Germany to be a vital neutral.

Mr. President, I ask anyone in America: Today, with France as uncertain as she is, with France torn by dissension and by instability of government, what is going to happen to the Western European alliance if Germany is removed from the orbit of the nations who believe in freedom?

Italy has done well; and we love the Italian people, and we admire the stand of their government. But, Mr. President, let us make no mistake about it: Italy is a weak reed, as compared with the thundering, massive power Germany is able to demonstrate today. The most phenomenal recovery ever to occur on the face of the earth, in view of what has

happened to the nation concerned, has been made by Western Germany; her recovery is almost unbelievable. Today her industrial production is far above her production schedule. Germany represents a tremendous power for good or for evil. A neutral Germany, which could play off the East against the West, could well destroy the western alliance system of freedom and security.

So, Mr. President, I warn my colleagues and the country; and I do so, not in a spirit of acrimony, but in a spirit of prayer and hope: Keep your eyes on Western Europe, and keep your eyes on Japan. They are the prizes in their respective, opposite areas, among all the prizes on the face of the globe. How paradoxical that is, Mr. President, in view of the fact that those two countries are former enemies of ours, and are the two nations which caused so much bloodshed and so much trouble. But, Mr. President, honestly, they are the two nations on the face of the earth, second only to the United States and Great Britain, which represent industrial power and manpower and technological ability and a willingness to stand up and be counted.

At this very hour, the new government of Japan—and, Mr. President, by the way, the government of Japan has changed. Not long ago we honored the former prime minister of Japan, by having him speak to us, here in the Senate. However, when he returned from Washington, D. C., to Japan, he lost his power in the Japanese Diet, I would remind my colleagues; he had been home less than a month, when he was ousted from office. So I would say that his visit to the United States may have made him popular here, but it did not help him there. At this very hour, efforts are being made by the Soviets to seduce the Japanese Government, by offering the Japanese Government trade concessions. The Soviets seek to get their trade "nose" into the Japanese tent; and the Soviets also wish to make some kind of working arrangement with the Japanese, so as to keep the Japanese from being an effective, participating partner with the West, namely, the United States and our allies.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. Yes; I yield.

Mr. SYMINGTON. Mr. President, I am much impressed with the presentation being made by the distinguished junior Senator from Minnesota, in his discussion of the growing dangers incident to advancing Communist aggression all over the world, especially in many countries which we in America believe are our allies.

Nevertheless, it is true, as the junior Senator from Minnesota has so ably stated, that in Germany, in Japan, in France, and in other countries, communism is advancing, both internally and externally, because of pressures which are put on some of those countries, seductions in the form of favorable trade offers, and so forth.

I ask the distinguished junior Senator from Minnesota whether he believes that by cutting our military appropriations, month after month, during the last few

years, we are, and have been, very possibly responsible for many of the successes, both internally and externally, made by the Soviet conspiracy in some of the countries to which he has referred. Do not they feel we are not serious in our determination to resist communism, when it is pointed out to them that we are steadily reducing our own military strength?

Mr. HUMPHREY. Mr. President, I wish to say to the distinguished Senator from Missouri that I am confident in my own mind—and, of course, one can speak only for himself, and from his own limited experience and ability—that surely these reductions have not added to our prestige, nor have they bolstered our efforts at diplomacy, in trying to strengthen our position and the position of our allies.

The effect has all been negative, so to speak. I develop that point by pointing out that I think one of the biggest mistakes that has been made was in the April conference in 1953 of the NATO powers, following the Lisbon Conference of April 1952. At the conference in April 1953—I believe my chronology is correct—instead of the United States representatives insisting that our allies meet their goals, instead of our keeping a tight hold on the situation, what we said was that there was no dateline for preparedness; that there was no real urgency; that we would do certain things in good time.

Why did we say that? Because it cost us less money to say it. It meant that we could string out for a longer period of time the military and economic assistance, rather than arriving at certain goals by a particular date and sustaining those goals for an indefinite period of time thenceforth. I can frankly state, from my point of view, that once we were willing to say to our European friends that they could take things a little easier, they really wanted to take it easy. That is understandable. They had borne the full brunt of the war and the devastation of fire and bomb. Their peoples were restive under heavy taxation, lack of consumer goods, and the lack of housing which was everywhere evident. They were delighted to be able to release more of their productive capacity in terms of what might be called soft goods, consumer goods. They were delighted to have someone say, "You can ease off a bit."

Since that time we have had some trouble. I point out that while, of course, it was good public relations to make such announcements, and to enter upon such a policy, it may very well not have been good, sound political and diplomatic relations, because the task of leadership is to ask people who work with us to do more than they expected to do.

Mr. SYMINGTON. Mr. President, will the Senator yield for another question?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. The Senator mentioned diplomatic relations. Would he not say that the only possibility of success of our diplomats in negotiating with the Soviet Communists is to be able to negotiate from a position of relative military strength?



Mr. HUMPHREY. There is no doubt about that.

Mr. SYMINGTON. Therefore, as we have steadily reduced our military appropriations in the past 2 years, have we not, in effect, been playing into the hands of the Soviet leaders?

Mr. HUMPHREY. That is my opinion.

Mr. SYMINGTON. Mr. President, will the Senator yield for a final question?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. We know that the soldiers on Formosa, equipped with American equipment and trained by American officers, are not going to stay there, under these circumstances, forever. If we do not reverse our policy and follow the policy suggested by the Senator this afternoon, building up our military strength, will not the same results ultimately occur in countries like Japan, and very possibly Western Germany, that have already happened to the disadvantage of the free world in these other countries?

Mr. HUMPHREY. I am sure that will be the situation. At least that is my belief. Perhaps the word "sure" is too positive. However, the facts so indicate.

Mr. President, prior to the colloquy between the Senator from Missouri and myself, I was speaking of what I felt was the "grand prize," to use the vernacular, in the struggle between the totalitarian Communist area and the free world. I repeat that it is Western Germany at this hour.

This does not mean that we should not be interested in the defense of Formosa. Indeed we must be. I say, however, that this is all a matter of emphasis, perspective, and weighted importance. Surely we have done what needed to be done in drawing the line in Formosa, and saying that was vital to the interests of the security of the United States. But I do not want the policy of our Government, as expressed by executive officers, to be so totally affixed to the Far East that we forget the immediate design of the Soviets in the West.

There are some factors which I think should be discussed in this connection.

Mr. President, I should like to complete an analysis I was trying to make of conditions and problems with which we are confronted. I stated earlier that these matters are of serious import. I lay no claim to expert knowledge. However, there seem to be some areas which can stand some review.

I said it has been the policy of this country since 1950 to defend Formosa. There is no doubt about it. I was pleased to hear the Senator from Missouri [Mr. SYMINGTON] clarify the record again.

What is important about Formosa can be placed in two areas. What about the Formosans, whom no one seems to talk about? There are quite a number of people in Formosa who are Formosans.

Second, Mr. President, what is important for the vital interests of the United States of America? Chiang Kai-shek is incidental. I repeat—incidental, and, in this instance, accidental. I would not feel it was my duty or right by any

vote of mine to commit one man or woman, one boy or girl, in this country to the defense of Chiang Kai-shek. But I do feel, as a member of the United States Senate, that I have an obligation, a moral responsibility, and a patriotic duty to face up to the responsibilities, no matter how difficult they may be, in connection with the defense of the vital interests and the security of the United States of America. That is what we are here for. Every vote we cast can be justified only on that basis. We are not running a social welfare agency or a retrieving club for deposed leaders. We have but one obligation—our Nation. That may include the closest alliance with other people. It may, because of the moral foundations of our society, compel us to be interested in the welfare of our brothers. Do unto others as you would have them do unto you. There are many good Scriptural passages which would fit into my remarks, such as the story of Cain and Abel—"Am I my brother's keeper?"

When I took my oath of office before the Presiding Officer of the Senate, and stood in solemn attention, I swore to defend and protect the interests of the United States of America. That is the way we should justify treaties, resolutions, or anything else on which we pass here. I do not think it is in the interest of the United States of America to be getting ourselves into what General Bradley so well and aptly referred to as the wrong war in the wrong country at the wrong time with the wrong enemy.

Red China is like a substation compared with the master powerhouse of the Kremlin. The switches of Soviet control are not in Peiping. They are running on low wattage there. The center of Communist power is in the Kremlin, and we had better keep our eyes not only on Charley McCarthy in this instance, but on Edgar Bergen. I hope Mr. Bergen will forgive me for this analogy. We had better keep our eyes on the center of the stage rather than on the blinds around the sides. This does not mean that we should not pay any attention to diversionary actions. To be sure, we do; but we should also pay attention to the attitudes of the people in the Far East. We are committed, whether it be good or bad, to an alliance with the present leadership on Formosa. That has developed to a point where there is no backing out. But I would have the record of the testimony before the Foreign Relations Committee read by every Senator in this Chamber. How many countries does any Senator think are desirous of associating with that leadership, to associate by treaty, by alliance, by mutual security pacts, or collective security pacts? I shall not name the number; I shall only say that it is very, very small. All our major allies in the world, what allies we have, are favoring a policy in the Far East with which we do not agree. So the only force we have in the Far East with which we agree is the only force in the Far East that has no other ally. I say that is a most unfortunate position, but that is the position in which we find ourselves.

That tells me that we had better limit our operations in that area to one pur-

pose, namely, the interests of the United States of America, in the interest of stopping Communist aggression which, if it continues, could seriously jeopardize our whole security.

Mr. SYMINGTON. Mr. President, will the the Senator from Minnesota yield?

Mr. HUMPHREY. I shall ask to continue for a moment, and then I shall be glad to yield.

That is why, Mr. President, I was concerned about becoming too involved in the offshore islands. The Senator from Oregon [Mr. MORSE] voted differently from the Senator from Minnesota. But there is no secret about the fact that Chiang Kai-shek wants to go back to the mainland, and he wants us to put him back there. There is no secret about it, in my mind, and I do not wish to help him. Why? Because I do not wish to see the Chinese Nationalists become the supreme power on the Chinese mainland? Not at all. I think any government on the Chinese mainland that had any modicum of respect for the institutions of freedom would be better than the Communist Government. But I do not want to see the American people caught in the Soviet trap. The Russian bear is setting a trap for the American people, in China. If we get ourselves sucked into that vast area with our manpower, our economic resources, our trained military forces, the Soviet Union will have a happy hunting ground throughout the rest of the world while we are battling with the huge masses of humanity which the Chinese Communist war lords and dictators can rally against us.

Defend Formosa? Yes. Meet the aggressor at any place? Yes. Defend our manpower, our vital installations, and our fleet? Yes. But do all this with calmness and courage, and do it all with steadfastness and extreme caution. I think we need calm courage and persevering patience. I think we need sustained strength. What we have too much of is sporadic treatment of international developments, getting concerned on one day and then wishing to lean back and say that it looks very good on the next day. We have not had competent courage. We have had the kind of youthful courage that comes every time someone shakes his fist at us. We have not had persevering patience. In fact, we have been very impatient; and we have not had sustained strength. The U. S. S. Missouri is the pride of the fleet one month, and is in mothballs the next month. The First Marine Division is in Korea when it is peaceful and quiet, and now that we are evacuating the Tachens, and it looks like there will be trouble in Formosa, they are coming home.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. Not in a spirit of criticism, but as a statement of fact, Does the Senator know any country in Europe or in the Orient where our position has materially improved in the past 2 years?

Mr. HUMPHREY. The Philippine Islands, I would say, our traditional ally.

I would hope we are a bit better off in Italy; but if the Senator wishes to know whether, in the overall, we are better off, I would say I doubt it.

Mr. SYMINGTON. I would agree with the Senator as to the Philippine Islands.

Mr. HUMPHREY. We are probably in worse relationship with India.

Mr. SYMINGTON. With reference to Italy, which I had the opportunity of visiting with the distinguished senior Senator from New Hampshire last spring, I believe the question of our relations with Italy may well depend upon the decision made by the head of the Socialist Party, the Moscow trained Mr. Nenni, as to whether he does or does not intend to join the Communist Party headed by Mr. Togliatti. There are many countries with whom our relationship has deteriorated and our position has been materially reduced. Is not that correct?

Mr. HUMPHREY. Yes; that is correct.

Mr. SYMINGTON. At the same time, is it not true, that those countries have watched us constantly reducing the military strength from which we could have negotiated with them, and their possible enemies, and our possible enemies?

Mr. HUMPHREY. It is true.

Mr. SYMINGTON. I thank the Senator.

Mr. HUMPHREY. I think signs of weakness can only lead to a further diminution of our position of influence and leadership in the world.

Mr. President, within recent weeks an attempt was made by our Government and other governments, through the United Nations, to arrive at a cease-fire in Formosa. I presented a resolution in the Senate at the time we adopted the resolution on Formosa. My resolution carried out the other 50 percent of the President's message on the critical situation in the Strait of Formosa and off the coast of the Chinese mainland. My colleagues may recall that the President endorsed the efforts of the United Nations to seek a cease-fire arrangement. He said the position of our country was one of seeking peace; and the President is a man who seeks peace.

My resolution was referred to the Committee on Foreign Relations, and it was discussed in the committee. Mr. President, I regret to say that my resolution was not reported by the committee. I am here to make the record clear that the reason why it was not reported by the Committee on Foreign Relations was that certain Senators and forces in the committee felt that a cease-fire proposal by the United States Senate might result in appeasement.

My answer to those particular Senators was that if any appeasement was to be done at the United Nations, it would have to be done by this administration, because the foreign policy of the United States Government is in the hands of the President and the Secretary of State. Many Senators may think they are the Secretary of State, but they are not; the foreign policy of this country is in the hands of the President and the Secretary of State. Frequently the Senate is asked

for advice and consent; most of the time we give only consent, not advice.

If there was to have been any appeasement, I may mention to my colleagues, on the basis of the United Nations action in seeking a cease-fire, appeasement could only have come as the result of an order of the administration forwarded to those who represent us in the United Nations. Our representatives in that organization hold their positions by appointment of the President of the United States and follow the policy established by the President and the Secretary of State.

I was shocked to hear some of my Republican colleagues on the Senate Committee on Foreign Relations state that they thought my resolution might result in appeasement, when, as a matter of fact, the President of the United States is responsible for the foreign policy of this Nation. I have more faith in our President than they have. I did not vote for the President, but I have more faith in him than to think that he would appease. I was literally shocked to find some of the leaders of the Republican Party—in fact, the minority leader of the Republican Party himself—concerned about the fact that the United Nations resolution we were considering, and the whole discussion on cease fire, might lead to untimely concessions to and ultimate appeasement of the Chinese Communist forces.

Mr. LONG. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG. Does the Senator from Minnesota recall that at the time the Korean truce was entered into, some persons in public life were urging that it would be, in effect, absurd to enter into a truce in Korea upon the basis on which the truce was being entered into?

Mr. HUMPHREY. That is correct. I recall such statements being made right here in the Senate.

Mr. LONG. There are some today who say we never should have agreed to a truce in Korea, are there not?

Mr. HUMPHREY. Yes; and those same some, while on the one hand they regret the truce, point with justifiable political pride to the fact that the truce was concluded. They attempt to play both sides of the street.

Mr. LONG. If we are ever to arrive at a time when the shooting in the Chinese civil war in the Strait of Formosa will be stopped, and our forces and the enemy forces can be disengaged, there will have to be some negotiating again.

Mr. HUMPHREY. There is no doubt about that.

Mr. LONG. Does it seem apparent to the Senator that perhaps we are appeasing some of our so-called friends by committing this Nation to a position which will make it very difficult for us ever to arrive at a possible settlement, honorably agreed to both by us and by those who oppose us today?

Mr. HUMPHREY. The perception of the junior Senator from Louisiana is exceeded only by his intellect and his knowledge of the situation. How right the Senator is. It is more important to have a united free world than it is to have a united political party. I think

the duty of the administration is to achieve as much unity as is possible among our allies, and to rely upon the good sense and judgment of patriotic Senators to rally around the cause. We do not really need a united Republican Party or a united Democratic Party. We need enough people in both parties to see the need of strength to back up the free nations of the world. If there were less effort to appease within the local political framework, and more effort directed toward a more firm foreign policy, a policy which would yield strength, we would make considerably more progress.

I am one who believes, as I have said before, that our action in the Far East must be one of prudent caution, but also one of courage and determination.

Why do I make these statements? Because I am afraid there are some forces in the United States who feel that the only way in which Asia can be saved is to have a war on the Chinese mainland. I suggest to those persons that the Soviet Union and international communism, which sees great opportunities within Asia for Communist expansion, know full well that if the Soviet is to be a world power, convincing in its industry, its stability, and its economic ability, it must have, at least, a neutral Germany and a neutral Japan. So, as I have said, we ought to keep our eyes on the main scene.

I wish to make 1 or 2 further observations. I believe we must persist in the United Nations in the policy upon which we have set our course. I believe the United Nations offers to the United States the best opportunity in which to gain some sense of stability and tranquillity in the Asian area.

I know that we cannot act alone in that area. Not only do we not have strong allies in Asia, but we are constantly weakening ourselves among our allies in the European area. The farther we go with unilateral action, the more steps we take on our own with a weak partner alongside us; namely, only the Chinese Nationalist leadership, the more and more trouble we shall have in Asia, and the fewer friends we shall have in Europe.

It does us no good to say that we are disgusted with the people of India or with Mr. Nehru. The fact is that the Government of India represents the largest single democracy in the world, in terms of numbers. Mr. Nehru was elected by the people of India; but Chiang Kai-shek was never elected in Formosa. There has not been a national election in Formosa since the day the forces of Nationalist China landed there.

We find it easy to get along with the Nationalist Government of China on Formosa, but we find it difficult to get along with the leadership of India.

I am not taking up the cudgels for Mr. Nehru, his policies, or even his eccentricities. It is more important that the United States have a working, friendly relationship with India than it is to be bludgeoned by some political forces into a form of inflexible policy regarding Nationalist China. What we need to do is to be practical in our judgments.



To me the United Nations proposition to seek a cease-fire is the honorable, the sound, proposal that we need. I do not think we should act like a postman and renew it every week, but I think it should be left standing to show our good intentions, our wish for peace, and our willingness to talk about any pertinent matter.

Why do I say this? Because I am of the opinion that there are moves underway right now on the international scene to get us off into another one of these side conferences. If we get into another one of these international conferences outside the U. N., it will be an international conference or movement started by the Soviet Union, India, Great Britain, or perhaps 1 or 2 other countries. What are the chances of the United States of America and its policies receiving very much support in such an atmosphere? They would be negligible. I say our chances of getting a reasonably good settlement in the United Nations are infinitely better.

I ask my colleagues in the Senate to show me in the record a case in which the United States has ever suffered a defeat of its policies in the U. N. I ask them to show me where in a substantive and procedural matter we have not had an overwhelming majority of the members of the U. N. on our side. The only way the Soviet Union is able to trip us up on international diplomacy is when they get us out in some sideshow, in another international conference. There are persons who have condemned the United Nations as if it were a den of treason, when, in fact, it has been the best forum for American policy and action we have ever had. Soviet propaganda may be able to fool some people, but Soviet propaganda has not even won a single substantive and procedural issue in the United Nations. I think that is very good batting for the United Nations. That fact shows that when there are present persons of knowledge, experience, and background, the hoax, the fraud, and the hypocrisy of the Soviet propagandists are fully exposed and thereby not accepted. So I hope our Government will continue to pursue whatever course toward peaceful actions it seeks through the counsels of the United Nations. Furthermore, we are not estopped in the United Nations just because a veto power exists in the Security Council. We were able to amend the rules of the General Assembly so that we can take our problems to the General Assembly and, by a majority vote in the General Assembly, work out an effective program of collective security or collective action. That change in rules occurred as a result of the Korean war. The Soviet Union made a big mistake once of walking out of the Security Council. Just about a month after it walked out of the Security Council, lo and behold, the Security Council acted, which was the only time it so acted, with decision, dispatch, and definiteness when we presented the case of North Korean aggression. By unanimous vote, the Security Council voted North Korea to be the aggressor, and ordered collective action by the United Nations.

The Soviet Union quickly returned to the fold after it made that mistake, but former Secretary of State Acheson set about devising a plan whereby the veto power of the Security Council could be bypassed. He conceived a program and plan in the General Assembly whereby, even with the Soviet veto of sensible proposals in the Security Council, a proposal still could be gotten to the General Assembly, and action could be taken.

I only repeat, I hope and pray, and I believe, it is the policy of our Government to pursue, through the councils of the United Nations, whatever course of action may be desired in its objectives.

I warn our Government to beware of being enticed into international conferences under the wrong auspices, because if we should be so enticed, we would be likely to lose our shirt, as is said in some parts of the country. It would not be so bad if it were just our shirt that we would lose.

Mr. President, while attacks on Quemoy and Matsu are being made, and there exists a critical situation in the Formosan Straits, while all the blustering, the threats, and the intimidation of the Soviet Union are going on, what else do we see? We have witnessed changes in Soviet policy. After the death of Marshal Stalin, there were those persons who let the wish be the father of the thought in the hope that the Soviet would change. They hoped for such a change so much that they were almost willing to believe whatever propaganda came out of the Kremlin. To me that is a demonstration of immaturity and a lack of understanding of international communism.

Communism is not a person; it is an ideal, a system, an ideology, backed up by powerful forces and brute strength. Stalin could die 10 times, and that fact would not change what international communism is. Mr. Malenkov, Mr. Bulganin, and Mr. Khrushchev could die, and it would not change international communism. In communism there is a design for conquest. Literally an orthodox mechanism of political power has been developed. Those that run it are incidental except insofar as they are in control of the political apparatus. But many wanted to believe that the Soviet Union was going to become more peaceful. That was a good excuse for cutting the budget. Some of us in the Senate rose and warned repeatedly that the bear may change its head, but it never changes its disposition. The bear may change its strategy and tactics, but it never changes its objectives.

Not only that, but actually sometimes the Soviet Union gives us a lot of information about what it is going to do. Not once, but half a dozen times, this Senator has mentioned the 19th international congress of the Communist Party in Moscow in the month of September 1952. The congress was held while we were holding a national election here. Not many persons paid much attention to it. Even in that congress of the Communist leaders of the world, some of the objectives of communism were laid down. Marshal Stalin said at that time, which was just a few months before his death,

that the No. 1 objective of the Soviet Union was to divide the United States from its allies. That objective has never been erased. The second man to speak at that congress was Malenkov. It was pointed out that an effort would be made to have an economic war entered into between the United States and its allies. Knowing that our trade picture was somewhat uncertain, knowing that our allies needed trade, and knowing that we in America were less desirous of having world trade, what did the administration do? When the Reciprocal Trade Agreements Act should have been extended for 3 to 5 years, instead it was extended for only 1 year. We had people in high places promising that if the act was extended, nothing would be done under the act. A leading official of this Government said, "If you will extend the act for 1 year, we give you our word we will not do anything with the act or under the act."

I delivered a speech in the Senate in which I pointed out that the Soviet Union had signed over 40 trade agreements, and we had yet to sign but one. We wanted to believe that Russia was going to be more peace-loving, and there was all kinds of talk about coexistence. There was talk about the Soviet Union's having internal trouble. The Soviet Union has internal trouble, but they do not stand there talking about it. Those who cause internal trouble are liquidated. We do not do that. That is one big difference between a police State and a democracy.

Then we heard that the Soviet Union had to do something more about the production of consumer goods; and Mr. Malenkov had, as one of his programs, eased the economic pressures—in terms of consumer goods—upon the people. I think that was understandable, following the death of Stalin. Perhaps Malenkov had read a little about American politics, and had read a little, perhaps, to the effect that it is a good idea once in a while to sort of firm up yourself with your constituents. So a program of improved agriculture was at least announced to the world, and it was accompanied by the appointment of key Soviets to key positions—all in an effort to see that those things happened.

Incidentally, Mr. President, it is very interesting to observe that although we in the United States have been having a row about too much agricultural production and about our more productive and abundant agriculture, as if those things were the curse of our time, the Soviet Union has had as its major problem the failure of Russian agriculture to produce. So perhaps we should be grateful that our farm people have been able to meet production quotas, and then some; and we did not need any commissar to get them to do it, either. They were willing to do it on the basis of their own ability and capacity.

Mr. SYMINGTON. Mr. President, will the Senator from Minnesota yield for a question?

The PRESIDING OFFICER (Mr. THURMOND in the chair). Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. HUMPHREY. I ask my colleague to permit me to pursue this thought for a moment, please.

Mr. President, within recent weeks we have heard of another change. I wish to say that what happened today, in terms of the new dictator of the Soviet Union, should not have been unexpected. If we would only exercise as much foresight as we exercise hindsight, we would all be a lot better off by a darn sight, as someone has said. [Laughter.] For the past year there have been, in some of the European journals, and also in the American press, comments to the effect that a man by the name of Khrushchev seemed to be coming into power in Soviet Russia. In the last week, one of the leading American publications stated that although it is true that Mr. Khrushchev has been traveling around a great deal, and has been making addresses in Indochina and in Siberia, and has been attending the big meetings, yet Mr. Malenkov has just been letting him do all of that. Of course, Mr. President, such an arrangement may work in the United States, but in a dictatorship it is seldom that more than one person takes a bow at any one time. We heard continuously that a new force was coming into being in the Soviet Union—or, at least, that a new personality was coming into being there. This morning we learn from the newspapers that that personality has come to the forefront.

Mr. President, I should like to say a word or two about that personality. The man behind that man is Mr. Khrushchev; he is the one who is behind Marshal Bulganin. Who is Marshal Bulganin? Well, lest anyone have any doubts about it, Marshal Bulganin is not what might be called a regular military officer. Instead, he is a political-military officer. He was used by Marshal Stalin to police the armed forces of Soviet Russia—the Red army. Marshal Bulganin was the chief political commissar of the Red Army. He represents both the military and the Communist Party; both of them are represented in his one person. He has held a number of positions during the last 10 years; he is not new. He has been in official positions in the Soviet Government; and at times he has been in non-official positions, as an adviser on defense matters to the Central Politburo. Marshal Bulganin represents political control over the military establishment; and he is backed up by Mr. Khrushchev, who represents full control over the political establishment. When the political party and the military are united in one person, under a dictatorship, that shows the existence of about as close to a perfect police-state apparatus as could be obtained.

Furthermore, Marshal Bulganin is said to be a former member of the Russian secret police. He knows the policies of liquidation and the means thereof. So he is not only the master politician, and the political-military boss, but he incorporates in his person some of the talents of the late but not lamented—and I emphasize that he is not lamented—Beria, who was liquidated.

Mr. President, what does this mean to us? I suppose we can only engage in

conjecture. Certainly we should have more information. As a Member of the Senate, I should like to know what our Government knows about these matters. As a Member of the Senate Foreign Relations Committee, I wish to see what some of the scholars of Soviet propaganda and Soviet policy have to say about these things. How can we legislate properly if all we hear is what the Secretary of State wants to tell us? As one Member of the Senate, I have received communications from persons who told me, 2 months before Mr. Beria was liquidated, that he was on the block, ready for liquidation. Before the name of Khrushchev was in the American press to any great degree, one scholar of Soviet propaganda said to some of us who serve in the Senate, "Watch out for the rise of the Khrushchev star." And within the month, a gentleman who has been kind enough to communicate with me, off and on, about Soviet propaganda and political strategy, told me there was very likely to be a major change in the Soviet Government because of the rise of Mr. Khrushchev and the weakness of Mr. Malenkov.

Just read what Mr. Malenkov had to say, Mr. President. Then we see what is going to happen to him. He is reported as having said, "I admit my guilt and my unsatisfactory leadership."

Mr. President, the Soviet courts save time; the accused pleads guilty early in the proceedings. I will only say that Mr. Malenkov's position is precarious.

The Minister of Consumers Goods Production was removed from his job. Pravda, the official newspaper of the Communist Party, says that all this talk about consumer goods almost borders on treason. That should have been a sign in the wind, should it not?

I am saying this today, Mr. President, only because in the Foreign Relations Committee I have been engaged in hearings, as other members have, for two weeks; and during those hearings I have heard about Chiang Kai-shek, and I have heard about the 350,000 Nationalist Chinese troops on Formosa, but I have not heard about what is happening in the greatest military enemy America has ever had, the Soviet Union. Why don't our committees receive information from the State Department or the Central Intelligence Agency, about what is going on? Or are we concentrating all our attention on the morale of the 350,000 troops on Formosa? Do not misunderstand me, Mr. President; that is important too. But I think we have lost ourselves. We have been concentrating on the sideshow, at a time when the main show is ready to change acts.

I think the Senate Committee on Foreign Relations needs a special study committee on Soviet strategy and Soviet tactics. I think we should be calling upon our Government specialists and the scholars in our Nation—and we have plenty of them—who understand Communist tactics. Let us note that when Mr. Khrushchev yesterday walked into the joint session of the Supreme Soviet, he walked at the head of the parade.

In America we have persons who have spent 25 or 30 years studying nothing else than the placement or position of Soviet political personalities in pic-

tures—the placement of certain Soviet political figures in photographs. Those students have noted where those political figures stand at a certain wedding or at someone's funeral, or the position in which they stand the next week in the Red Square, or their position at the time of a review of the Red army. In the United States we have students who understand the placement of various items in various parts of the Soviet newspapers. That may very well tell what is "in the works."

In America there are students in and out of Government who for 25 or 30 years have studied the Soviet language, and the translation of the idiomatic expression of the Russian into the language we read, the English language.

In other words, we not only need military intelligence to spot airfields on maps, but we need analytical intelligence, political intelligence, and understanding of what is going on. I am afraid we have not had quite enough of it in the Congress. This is not unexpected. We are not an old power in the field of diplomacy, but we had better learn fast, because time is running out.

With respect to the Soviet budget, I read in the American press that the Soviets are planning to increase their defense budget by 12 percent. Whom do they think they are kidding? I hope we are not being fooled. What I want to know is, What are the budgets of the satellites—Czechoslovakia, Bulgaria, Rumania, Albania, Poland, and Hungary? Moreover, how much are the Soviets concealing in the budget, which they are not telling their own people or telling us?

We may very well ask ourselves what we should do at this moment. I think we had better follow some of the advice laid down by the Senator from Missouri [Mr. SYMINGTON] this afternoon. I know one thing. It does not sound very good for this Senator, on the very next legislative day after he votes for the Formosa resolution, to hear the Secretary of Defense say that Formosa is but a ripple, unless he really means that the attention of our State Department is being concentrated in other parts of the world, or at least a part of its attention.

I cannot put the picture together. I really cannot understand why it is necessary to be so firm and definite about our commitments in a certain area, and then to reduce our military strength.

I also believe that we had better be emphasizing something besides military strength. We cannot afford to be writing off any peoples. It would be very pleasant to know that we had the closest relationship with the people of Burma and the Government of Burma. There is a friendly relationship, but I wish it were better.

Further, I wish to point out that the second largest nation in Asia is India. I for one feel that we must exercise infinite patience, and at times have the boldest programs in that area, so as to enable the Indian people to save themselves from ultimate collapse. Much of this we ought to do through the United Nations Technical and Economic Assistance Program. Some of those nations will not accept our aid unilateral-



ly. But, however it needs to be done, let us do it. Then let us further step up our programs of information, understanding, and education. Let us become the chief exponent of the United Nations and its agencies and activities. The United Nations is located in this country. That gives us a glorious opportunity to talk and work in and for an organization which touches the lives of more people than any organization ever before created by man. Let us not fall into the Soviet trap by weakening the United Nations. Let us not fall into the habit of working our way out into other areas for international negotiation, if it can be avoided.

Mr. President, those are only a few observations. I have had some of these things on my mind for quite a little while, and I thought I would like to say them. I know that the Congress of the United States needs sound information, and needs more of it. I know that the American people need it too. I know that we need to know how strong we really are, and that we are basically a strong people. We ought to know that the leadership requires a knowledge of our own assets and liabilities.

In view of the developments we have seen in recent days, I hope that every effort will be made in the Congress to supplement our information. This is not to say that we should not rely upon that which comes from the executive departments. Indeed, we must. However, I think we would be better serving the American people if we should go out of our way to seek our own avenues of information, to try to find out what we can on our own, and see how our information compares with the official policy laid down by the executive departments. In that way we shall be able to give advice, as well as consent. In that way we shall be able to share the responsibility, rather than having to shoulder some of it without having a voice in the policy. I believe that the only way to bring about such a situation is for some of us to continue talking about the subject and working toward that end.

Mr. President, I am prepared to yield the floor.

Mr. SYMINGTON. Mr. President, will the Senator yield to me for an observation and a question?

Mr. HUMPHREY. I was about to yield the floor, but I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. The observation is that I have seldom heard a more penetrating or brilliant analysis of the problems which face the free world today.

Mr. HUMPHREY. I thank the Senator.

Mr. SYMINGTON. The question refers back to something which the Senator said about food. As I understand it, the history of the rise and fall of civilizations has been related to their success or lack of success in obtaining food. I also understand that today this country is the most fertile and prosperous country in the history of the world. In connection with the discussion of the question of the free world against the Communist conspiracy, does not the Senator consider it unfortunate that, at the

same time we are, in effect, apparently losing some of our allies and some of our position in the free world, instead of producing all the food we can, we are increasing our controls in order to reduce the production of food?

Mr. HUMPHREY. I say to the Senator that the hue and cry that has gone up about our God-given abundance of food, when half the world is barely on a subsistence diet, has never impressed me. I have always considered it false political crocodile tears.

Mr. SYMINGTON. I respect the Senator's opinion especially in this area, because of his great knowledge of the problems of agriculture.

Mr. HUMPHREY. I should like to say also to the distinguished Senator from Missouri that recently he may have read articles in the paper dealing with the fact that the Department of Agriculture at long last has found a way of processing our butter into a product which is very palatable and useful and desirable in various areas of the Far East.

Of course, someone will say that that will cost money. My reply is that it also costs money to send guns abroad, and that those guns may some day be turned against us.

I should like to point out also that processes are available today, which are commercially feasible and commercially proven, by which wheat is converted into a cereal grain which can be used as a substitute for rice, and that that substitute has far more nutritional value and is actually cheaper in cost than the rice.

If we used as much imagination with respect to the use of our God-given abundance of food that we use in complaining about them, we would solve half of our world problems.

I regret that sometimes we get ourselves into a position of "politicking" about this abundance of food. For the life of me I cannot understand why we should complain about a few extra bales of cotton, a few extra gallons of vegetable oil, or a few extra bushels of cereal grains or feed grains, in a world in which food is the primary basic need and deficiency of a majority of the people of the world.

I am pleased by the way our agriculture has performed. It has performed well indeed. Would it not be wonderful if we could get the information behind the Iron Curtain that a free agriculture, composed of family farms, has out-produced in every way the collective agriculture of state planning? Let us make no mistake about the fact that the peasantry of Europe and the great farm people of the United States and of Canada are the backbone of a free society. They are the last ones who yield to the omnipotent power of the totalitarian state.

Stalin found out about it, and history records the fact that even Hitler could never regiment the German farmer.

One of the great assets we have today in the cold war—and it will also be an asset in any hot war we may get into—is the productive capacity and the production in being—just like forces in being. I will say to the distinguished Senator from Missouri—ready and avail-

able. That production is not excessive in view of the kind of world we live in.

We may well need that so-called excess food if things get out of hand.

## ADJOURNMENT

Mr. LONG. Mr. President, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 33 minutes p. m.) the Senate adjourned until tomorrow, Wednesday, February 9, 1955, at 12 o'clock meridian.

## NOMINATIONS

Executive nominations received by the Senate February 8, 1955:

### DIPLOMATIC AND FOREIGN SERVICE

Julius C. Holmes, of Kansas, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Iran, vice Loy W. Henderson.

### IN THE ARMY

Lt. Gen. Anthony Clement McAuliffe, O12263, Army of the United States (major general, U. S. Army), for appointment as commander in chief, United States Army, Europe, with the rank of general and as general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

## CONFIRMATIONS

Executive nominations confirmed by the Senate February 8, 1955:

### DEPARTMENT OF THE ARMY

Charles C. Finucane, of the State of Washington, to be Under Secretary of the Army.

### DEPARTMENT OF THE NAVY

Albert Pratt, of Massachusetts, to be an Assistant Secretary of the Navy.

### NATIONAL SECURITY TRAINING COMMISSION

Gen. Walter Bedell Smith, United States Army, retired, to be a member of the National Security Training Commission; remainder of the term expiring June 19, 1956.

### FARM CREDIT ADMINISTRATION

TO BE MEMBERS OF THE FEDERAL FARM CREDIT BOARD, FARM CREDIT ADMINISTRATION, FOR TERMS OF 6 YEARS FROM DECEMBER 1, 1954

Harlan Bruce Munger, of New York.

George P. Daley, of Minnesota.

### IN THE ARMY

The officers named herein for promotion as Reserve commissioned officers of the Army under the provisions of the Armed Forces Reserve Act of 1952 (Public Law 476, 82d Cong.), to date from December 8, 1954:

### To be major generals

Brig. Gen. LeRoy Hagen Anderson, O239452.  
Brig. Gen. Claude Thomas Bowers, O183291.  
Brig. Gen. James Francis Cantwell, O396657.

Brig. Gen. Clyde Emerson Dougherty, O190855.

Brig. Gen. Charles Lyn Fox, O154765.  
Brig. Gen. Roy Albert Green, O226513.  
Brig. Gen. John David Higgins, O152439.  
Brig. Gen. Hugh Stanford McLeod, O143285.  
Brig. Gen. John Williams Morgan, O140899.  
Brig. Gen. Ralph Albert Palladino, O232912.  
Brig. Gen. Russell Archibald Ramsey, A215598.

Brig. Gen. Isidor Schwaner Ravdin, O399712.

Brig. Gen. Herbert Norman Schwarzkopf, O190484.

Brig. Gen. Albert Hummel Stackpole, O103158.  
Brig. Gen. William Miles Stokes, Jr., O166391.  
Brig. Gen. Carl Thomas Sutherland, O258676.  
Brig. Gen. Lamar Toozee, O107927.  
Brig. Gen. Frederick Marshall Warren, O266247.  
Brig. Gen. Warren Claypool Wood, O295588.

*To be brigadier generals*

Col. Otwa Tilden Autry, O332367, Artillery, National Guard of the United States.  
Col. Ernest Oscar Black, O293790, Artillery, United States Army Reserve.  
Col. Aloysius Maximus Brumbaugh, O225777, Quartermaster Corps, United States Army Reserve.  
Col. Louis Henry Charbonneau, O142965, Infantry, United States Army Reserve.  
Col. Harold Richard Duffie, O126221, Transportation Corps, United States Army Reserve.  
Col. Robert Ernest Frankland, O277098, Artillery, National Guard of the United States.  
Col. Thomas Fuller, O248411, Transportation Corps, United States Army Reserve.  
Col. Robert Morgan Jones, O270821, Infantry, United States Army Reserve.  
Col. John Harry LaBrum, O909644, Signal Corps, United States Army Reserve.  
Col. Frank Lawrence Lazarus, O242867, Artillery, United States Army Reserve.  
Col. James Bryant Mason, O219601, Medical Corps, United States Army Reserve.  
Col. Charles Sumner McCormick, Jr., O332054, Transportation Corps, United States Army Reserve.  
Col. John Adair McEwan, O280352, Artillery, United States Army Reserve.  
Col. George Augustus Morris, O266651, Corps of Engineers, United States Army Reserve.  
Col. Henry George Nulton, O205635, Infantry, United States Army Reserve.  
Col. Charles William O'Bryant, O328896, Infantry, United States Army Reserve.  
Col. Almerin Cartwright O'Hara, O328935, Infantry, National Guard of the United States.  
Col. Charles Adam Ott, Jr., O428375, Artillery, National Guard of the United States.  
Col. Maston Samuel Parham, O299244, Infantry, National Guard of the United States.  
Col. Don Archibald Parkhurst, O284478, Corps of Engineers, United States Army Reserve.  
Col. Manfred Ullman Prescott, O224176, Medical Corps, United States Army Reserve.  
Col. Philip George Rettig, O903151, Corps of Engineers, United States Army Reserve.  
Col. William Thomas Rice, O320906, Transportation Corps, United States Army Reserve.  
Col. William Edwards Roberts, O233906, Artillery, National Guard of the United States.  
Col. Forrest Lee Roe, O226907, Artillery, National Guard of the United States.  
Col. James Earl Rudder, O294916, Infantry, United States Army Reserve.  
Col. Clifford LeRoy Sayre, O201040, Chemical Corps, United States Army Reserve.  
Col. Carlton Kimball Smith, O231996, Infantry, National Guard of the United States.  
Col. Alden Earl Stilson, O320041, Corps of Engineers, United States Army Reserve.  
Col. Louis Frank William Stuebe, O170245, Artillery, United States Army Reserve.  
Col. James Strom Thurmond, O191221, staff specialist, United States Army Reserve.  
Col. Morgan Montrose Wallace, O275387, Artillery, United States Army Reserve.  
Col. Clyde Jefferson Watts, O269820, Artillery, United States Army Reserve.

**PROMOTIONS IN THE REGULAR ARMY**

The nominations of George N. Anderson and 688 other officers for promotion in the

Regular Army, which were received by the Senate on January 21, 1955, were confirmed today, and may be found printed in full in the CONGRESSIONAL RECORD of January 21, 1955, under the caption "Nominations," beginning with the name of George N. Anderson, which is shown on page 595 and ending with the name of Andrew W. Zulli, Jr., which occurs on page 598.

**IN THE NAVY**

Rear Adm. Bartholomew W. Hogan, Medical Corps, United States Navy, to be Surgeon General and Chief of the Bureau of Medicine and Surgery in the Department of the Navy, for a term of 4 years.

Vice Adm. Ralph A. Ofstie, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as a fleet commander.

Vice Adm. Thomas S. Combs, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Deputy Chief of Naval Operations (Air).

Rear Adm. Harold P. Smith, United States Navy, to be Director of Budget and Reports in the Department of the Navy, for a term of 3 years.

Adm. John E. Gingrich, United States Navy, retired, to be placed on the retired list with the rank of vice admiral.

Vice Adm. Murrey L. Royer, Supply Corps, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as Chief of Naval Material.

Rear Adm. Ralph J. Arnold, Supply Corps, United States Navy, to be Paymaster General and Chief of the Bureau of Supplies and Accounts in the Department of the Navy, for a term of 4 years.

The following named officers of the Navy for permanent appointment to the grade of rear admiral in the line and staff corps indicated:

*Line*

John H. Sides	Edwin T. Layton
Victor D. Long	Frederick R. Furth
Henry Crommellin	Robert L. Swart
Redfield Mason	Schuyler N. Pyne
Edward N. Parker	Robert E. Cronin
Edmund B. Taylor	Chester C. Smith
Frederick B. Warder	Harold O. Larson
George C. Wright	Thomas Burrows
David M. Tyree	Donald C. Varian
Lewis S. Parks	Albert E. Jarrell
Willard K. Goodney	William G. Beecher, Jr.
Frederick N. Kivette	Charles H. Lyman, III
Ira E. Hobbs	Paul D. Stroop
Harry H. Henderson	Fitzhugh Lee
Joseph H. Wellings	Frank O'Beirne
Joseph M. Carson	Francis D. McCorkle
Charles F. Chillingworth, Jr.	Elton W. Grenfell
John Sylvester	Charles A. Buchanan
John M. Taylor	William G. Cooper
James S. Russell	Clifford H. Duerfeldt
Henry C. Bruton	George C. Weaver
Robert B. Pirie	Albert G. Mumma

*Medical Corps*

James R. Fulton  
Ocie B. Morrison, Jr.

*Supply Corps*

Lloyd H. Thomas  
Joel D. Parks  
William L. Knickerbocker

*Civil Engineer Corps*

William Sihler

*Dental Corps*

Ralph W. Taylor

**IN THE MARINE CORPS**

Brig. Gen. Raymond A. Anderson, United States Marine Corps, to be Quartermaster General of the Marine Corps, with the rank of major general, for a period of 2 years from February 1, 1955.

## HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 8, 1955

The House met at 12 o'clock noon. The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, may we be very conscious of the clear and unmistakable leading of Thy spirit, as, in these perilous days, we are considering how best to defend our freedom and maintain the sanctity and safety of our Republic.

Grant that in the midst of all of life's bewildering problems we may be numbered among those who are working zealously and waiting patiently and hopefully for the dawning of a new and better day.

We pray that, when the dark moods of fear and anxiety haunt us and disturb our peace, we may encourage ourselves and our fellow men with the assurance that Thou art our God, sovereign and supreme, transcendent and triumphant.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on February 7, 1955, the President approved and signed a bill of the House of the following title:

H. R. 2010. An act to amend the act of July 10, 1953, which created the Commission on Intergovernmental Relations.

### SCHOOL CONSTRUCTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 84)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Education and Labor, and ordered to be printed:

#### *To the Congress of the United States:*

For the consideration of the Congress, I herewith propose a plan of Federal cooperation with the States, designed to give our schoolchildren as quickly as possible the classrooms they must have.

Because of the magnitude of the job, but more fundamentally because of the undeniable importance of free education to a free way of life, the means we take to provide our children with proper classrooms must be weighed most carefully. The phrase "free education" is a deliberate choice. For unless education continues to be free—free in its response to local community needs, free from any suggestion of political domination, and free from impediments to the pursuit of knowledge by teachers and students—it will cease to serve the purposes of free-men.

#### STATE AND LOCAL RESPONSIBILITY FOR EDUCATION

A distinguishing characteristic of our Nation—and a great strength—is the de-